

Austria Schöckl **Belvair** CH1.250; **Bernardo** S1.85; **Belgrader** BF, China Fax 70.0; **Carmichael** CH1.00; **Cyprus** C20.00; **Czech Rep** C20.00; **Delmar** D20.00; **Egypt** E20.00; **Finland** F20.00; **France** FF20.00; **Germany** D20.00; **Greece** D20.00; **Hong Kong** HK20.00; **India** IN20.00; **Indonesia** IN20.00; **Italy** IT20.00; **Japan** JP20.00; **Kenya** KE20.00; **Malaysia** MY20.00; **Mexico** MX20.00; **Morocco** MO20.00; **Netherlands** NL20.00; **New Zealand** NZ20.00; **Nigeria** NG20.00; **Philippines** PH20.00; **Poland** PL20.00; **Portugal** PT20.00; **Romania** RO20.00; **Saudi Arabia** SA20.00; **Singapore** SG20.00; **Slovak Rep** SK20.00; **South Africa** ZA20.00; **Spain** ES20.00; **Switzerland** CH20.00; **Taiwan** TW20.00; **Thailand** TH20.00; **Turkey** TR20.00; **USA** US20.00; **Ukraine** UA20.00; **United Kingdom** GB20.00; **Vietnam** VN20.00; **Yugoslavia** YU20.00.

Austria Schöckl **Belvair** CH1.250; **Bernardo** S1.85; **Belgrader** BF, China Fax 70.0; **Carmichael** CH1.00; **Cyprus** C20.00; **Czech Rep** C20.00; **Delmar** D20.00; **Egypt** E20.00; **Finland** F20.00; **France** FF20.00; **Germany** D20.00; **Greece** D20.00; **Hong Kong** HK20.00; **India** IN20.00; **Indonesia** IN20.00; **Italy** IT20.00; **Japan** JP20.00; **Kenya** KE20.00; **Malaysia** MY20.00; **Mexico** MX20.00; **Morocco** MO20.00; **Netherlands** NL20.00; **New Zealand** NZ20.00; **Nigeria** NG20.00; **Philippines** PH20.00; **Poland** PL20.00; **Portugal** PT20.00; **Romania** RO20.00; **Saudi Arabia** SA20.00; **Singapore** SG20.00; **Slovak Rep** SK20.00; **South Africa** ZA20.00; **Spain** ES20.00; **Switzerland** CH20.00; **Taiwan** TW20.00; **Thailand** TH20.00; **Turkey** TR20.00; **USA** US20.00; **Ukraine** UA20.00; **United Kingdom** GB20.00; **Vietnam** VN20.00; **Yugoslavia** YU20.00.

Austria Schöckl **Belvair** CH1.250; **Bernardo** S1.85; **Belgrader** BF, China Fax 70.0; **Carmichael** CH1.00; **Cyprus** C20.00; **Czech Rep** C20.00; **Delmar** D20.00; **Egypt** E20.00; **Finland** F20.00; **France** FF20.00; **Germany** D20.00; **Greece** D20.00; **Hong Kong** HK20.00; **India** IN20.00; **Indonesia** IN20.00; **Italy** IT20.00; **Japan** JP20.00; **Kenya** KE20.00; **Malaysia** MY20.00; **Mexico** MX20.00; **Morocco** MO20.00; **Netherlands** NL20.00; **New Zealand** NZ20.00; **Nigeria** NG20.00; **Philippines** PH20.00; **Poland** PL20.00; **Portugal** PT20.00; **Romania** RO20.00; **Saudi Arabia** SA20.00; **Singapore** SG20.00; **Slovak Rep** SK20.00; **South Africa** ZA20.00; **Spain** ES20.00; **Switzerland** CH20.00; **Taiwan** TW20.00; **Thailand** TH20.00; **Turkey** TR20.00; **USA** US20.00; **Ukraine** UA20.00; **United Kingdom** GB20.00; **Vietnam** VN20.00; **Yugoslavia** YU20.00.

Austria Schöckl **Belvair** CH1.250; **Bernardo** S1.85; **Belgrader** BF, China Fax 70.0; **Carmichael** CH1.00; **Cyprus** C20.00; **Czech Rep** C20.00; **Delmar** D20.00; **Egypt** E20.00; **Finland** F20.00; **France** FF20.00; **Germany** D20.00; **Greece** D20.00; **Hong Kong** HK20.00; **India** IN20.00; **Indonesia** IN20.00; **Italy** IT20.00; **Japan** JP20.00; **Kenya** KE20.00; **Malaysia** MY20.00; **Mexico** MX20.00; **Morocco** MO20.00; **Netherlands** NL20.00; **New Zealand** NZ20.00; **Nigeria** NG20.00; **Philippines** PH20.00; **Poland** PL20.00; **Portugal** PT20.00; **Romania** RO20.00; **Saudi Arabia** SA20.00; **Singapore** SG20.00; **Slovak Rep** SK20.00; **South Africa** ZA20.00; **Spain** ES20.00; **Switzerland** CH20.00; **Taiwan** TW20.00; **Thailand** TH20.00; **Turkey** TR20.00; **USA** US20.00; **Ukraine** UA20.00; **United Kingdom** GB20.00; **Vietnam** VN20.00; **Yugoslavia** YU20.00.

Austria Schöckl **Belvair** CH1.250; **Bernardo** S1.85; **Belgrader** BF, China Fax 70.0; **Carmichael** CH1.00; **Cyprus** C20.00; **Czech Rep** C20.00; **Delmar** D20.00; **Egypt** E20.00; **Finland** F20.00; **France** FF20.00; **Germany** D20.00; **Greece** D20.00; **Hong Kong** HK20.00; **India** IN20.00; **Indonesia** IN20.00; **Italy** IT20.00; **Japan** JP20.00; **Kenya** KE20.00; **Malaysia** MY20.00; **Mexico** MX20.00; **Morocco** MO20.00; **Netherlands** NL20.00; **New Zealand** NZ20.00; **Nigeria** NG20.00; **Philippines** PH20.00; **Poland** PL20.00; **Portugal** PT20.00; **Romania** RO20.00; **Saudi Arabia** SA20.00; **Singapore** SG20.00; **Slovak Rep** SK20.00; **South Africa** ZA20.00; **Spain** ES20.00; **Switzerland** CH20.00; **Taiwan** TW20.00; **Thailand** TH20.00; **Turkey** TR20.00; **USA** US20.00; **Ukraine** UA20.00; **United Kingdom** GB20.00; **Vietnam** VN20.00; **Yugoslavia** YU20.00.

Austria Schöckl **Belvair** CH1.250; **Bernardo** S1.85; **Belgrader** BF, China Fax 70.0; **Carmichael** CH1.00; **Cyprus** C20.00; **Czech Rep** C20.00; **Delmar** D20.00; **Egypt** E20.00; **Finland** F20.00; **France** FF20.00; **Germany** D20.00; **Greece** D20.00; **Hong Kong** HK20.00; **India** IN20.00; **Indonesia** IN20.00; **Italy** IT20.00; **Japan** JP20.00; **Kenya** KE20.00; **Malaysia** MY20.00; **Mexico** MX20.00; **Morocco** MO20.00; **Netherlands** NL20.00; **New Zealand** NZ20.00; **Nigeria** NG20.00; **Philippines** PH20.00; **Poland** PL20.00; **Portugal** PT20.00; **Romania** RO20.00; **Saudi Arabia** SA20.00; **Singapore** SG20.00; **Slovak Rep** SK20.00; **South Africa** ZA20.00; **Spain** ES20.00; **Switzerland** CH20.00; **Taiwan** TW20.00; **Thailand** TH20.00; **Turkey** TR20.00; **USA** US20.00; **Ukraine** UA20.00; **United Kingdom** GB20.00; **Vietnam** VN20.00; **Yugoslavia** YU20.00.

Austria Schöckl **Belvair** CH1.250; **Bernardo** S1.85; **Belgrader** BF, China Fax 70.0; **Carmichael** CH1.00; **Cyprus** C20.00; **Czech Rep** C20.00; **Delmar** D20.00; **Egypt** E20.00; **Finland** F20.00; **France** FF20.00; **Germany** D20.00; **Greece** D20.00; **Hong Kong** HK20.00; **India** IN20.00; **Indonesia** IN20.00; **Italy** IT20.00; **Japan** JP20.00; **Kenya** KE

NEWS: INTERNATIONAL

PM tries to soothe Swedish fears on Renault-Volvo link-up

Balladur steps into merger row

By Hugh Carnegie
in Stockholm and John
Riddling in Paris

FRANCE's prime minister, Mr. Edouard Balladur, has written to Mr. Carl Bildt, his Swedish counterpart, in an attempt to counter Swedish opposition to the proposed merger between Renault and Volvo's car and truck operations.

It is the most significant move so far by the French government in its attempt to win over Swedish shareholders who threaten to vote down the plan to create Europe's second

largest automotive group.

The Swedish government also confirmed for the first time that it had approached the French government. At Volvo's request it had pressed demands that Paris provide assurances on the timetable for the privatisation of Renault and a commitment not to use a state golden share to force down Volvo's proposed 35 per cent stake in the merged Renault-Volvo company.

Details of Mr. Balladur's letter were not revealed. But it appeared not to have fully satisfied the Swedish side. Senior

officials said the dialogue with Paris would continue.

Mr. Bildt, who had previously avoided direct involvement in the issue, is understood to have intervened two weeks ago following an appeal from Volvo. The prime minister told Swedish radio yesterday there was "a strong need for clarification" of the privatisation and golden share issue, the main focus of shareholder concern. He said that without it there was a "very limited" chance the deal would be approved. The French government has said it plans to privatise the

merged group as quickly as possible, with a target date of the second half of next year. It has also promised that the golden share to be retained after privatisation will not be used against Volvo and is designed to protect the merged group from a hostile takeover. But verbal statements have failed to satisfy Volvo shareholders who forced the Swedish group to postpone a vote on the deal until December 7. Continued shareholder resistance and the approach of the deadline have pressed the French government into a concerted effort to reassure Swedish investors. Mr. Balladur's letter follows a meeting earlier this week between Mr. Gérard Longuet, French industry minister, and Mr. Sören Gyll, Volvo's chief executive. Mr. Louis Schweitzer, the Renault chief executive, was also in Sweden yesterday to lobby Volvo shareholders.

The merger, and the planned privatisation of the new automotive group, is one of the most important elements of French industrial policy and the government's plan to sell 21 publicly-owned companies.

EU aims to slam its open doors

By David Gardner in Brussels

THE European Union's much-awaited policy of greater openness in its decision-making, proclaimed by the last four heads of government meetings, is in danger of taking a big step backwards before the next summit in Brussels on December 10.

The Union's stated policy is to give the public right of access to all EU information, except where national security, monetary stability, commercial confidentiality, privacy, or relations with non-member countries could be endangered.

The policy was strengthened in the wake of Danish voters' initial rejection of the Maastricht treaty in June 1992.

However, ambassadors of the Twelve, in their latest attempt to draw up a code of conduct, have now inserted additional grounds for exemption, entitling all EU institutions to "refuse access in order to protect the interests of the institution and safeguard the secrecy of their deliberations".

This discretionary catch-all is contained in a confidential compromise proposal - a so-called "non-paper" - from the current Belgian presidency of the EU.

It is intended to close the gap between member states like the Netherlands and Denmark, which want freedom of information norms similar to their own or US or Scandinavian rules, and more secretive countries like Britain, Portugal and Belgium itself.

"That is a step back, closing off things that are now relatively open," said a diplomat from the Union's dwindling open government camp.

He predicted that the code of conduct would lead to a small number of exemplary sackings of officials, to tighten up on the frequent leaks which are how a good portion of EU policy-making comes into the public domain.

Foreign ministers of the Twelve are expected to decide on the issue early next month, before the Brussels summit.

Although television cameras have this year been allowed in to record some set-piece EU ministerial proceedings, the openness question, identified repeatedly by the Twelve as one of the prime causes of public disenchantment with Europe, will almost certainly be settled behind closed doors.



Mr. George (left) and Mr. Tietmeyer, with French economy minister Edmond Alphandéry at yesterday's conference

Bankers united on pace of union

Tietmeyer and George recommend a cautious approach to Emu

By David Waller in Frankfurt

EUROPEAN Union governments must put their monetary houses in order before implementing measures to speed the pace of union, central bankers said yesterday.

Mr. Hans Tietmeyer, Bundesbank president, and Mr. Eddie George, governor of the Bank of England, displaying a rare degree of unity, both argued against premature moves towards European economic and monetary union.

"As the credibility of the system has been greatly impaired by developments in the past few years, every member state must now initially pursue a policy to restore its own credibility," Mr. Tietmeyer told a Frankfurt conference. "In future, the rules of the system can at best foster this credibility, but not replace it."

Lending his support to the

view that there should be no quick and general return to narrow bands in the exchange rate mechanism, Mr. Tietmeyer went on to argue that "we should be careful... to avoid too ambitious and too early implementation of new instruments such as common targets for monetary aggregates."

"Given the present environment and the essential need for building up the credibility of the system again, such a move would be premature and in the end counter-productive. Regaining credibility by improving [economic] convergence is a serious and long-term job and requires co-ordinated action of all member states on their own responsibility," he said.

Mr. George warned of the danger that "political aspiration will run ahead of economic reality", which in his opinion would set back rather

than advance the cause of European Union. He urged that it would be better to concentrate on the "here and now" - in other words, the immediate task of promoting convergence between the economies of individual European countries. Especially important was internal price stability, without which lasting exchange rate stability would be no more than an illusion.

He acknowledged, as did Mr. Tietmeyer, that the flexibility inherent in the move towards wider bands for currency fluctuation in the ERM posed risks for the convergence process. He argued that monetary policy objectives within the EU, having once been too tightly drawn, were now underspecified, and that there was a case for buttressing the ERM in its current, looser form "with clearer Community-wide understandings on the domestic

policy objectives to be pursued within the looser exchange rate framework."

The agreement between the two men contrasts with the tensions which arose over the conduct of monetary policy in September of last year, when the UK perspective was that German monetary rigour directly contributed to market pressure on sterling and its eventual withdrawal from the ERM. Mr. Tietmeyer acknowledged that the functioning of the EMS had been affected by German monetary policy in the early 1990s, itself a reaction to the inflationary problems caused by reunification. But he said that the EMS would have suffered a shock even in the absence of German reunification as "the less dynamic world economic environment would have exposed the lack of convergence between participating countries".

Brussels fans urge to converge

By Andrew Hill in Brussels

EU MEMBER states have laid strong foundations for economic and monetary union, but further efforts will be needed to maintain the momentum of convergence, according to the European Commission.

It calls for "decisive action" to reduce budgetary imbalances, and urges states to reject "go-it-alone" economic, monetary or commercial policies which might undermine the single market.

The Commission will present its report on convergence and the implementation of the single market to EU finance ministers on Monday. The Maastricht treaty, which

came into force on November 1, requires Brussels to assess the progress made in the first stage of Emu, before next January 1, when stage two will begin.

The report contains a staunch defence of the single market programme, which has been criticised for not delivering all the promised benefits. It claims that legislative steps already taken "will be sufficient to trigger the bulk of the competitive and resource allocation gains which will flow from internal market completion".

However, the Commission concedes that those improvements have been obscured by the effects of recession, which has led to increased unemployment and stalled

the process by which poorer countries are supposed to catch up with the wealthier.

The report highlights continued difficulties in meeting Maastricht criteria on public finances. It points out that only Ireland and Luxembourg are on course to meet the 3 per cent target for budget deficit as a proportion of gross domestic product by 1996. The EU average is 6.4 per cent, higher than at the start of the decade.

The Commission also warns that if exchange rates are not managed carefully, "sudden changes in relative competitiveness... could generate demands for safeguard restrictions on cross-border trade", undermining the single market.

Italy seeks way out of dispute over steel cuts

By Robert Graham in Rome

THE Italian government is expected to set up a special commission in the next few days to try to resolve its acrimonious dispute with the European Commission over reducing overcapacity in the European steel industry.

A meeting of EU industry ministers broke up in disarray on Thursday after Italy rejected demands by Brussels for a 2m cut in annual production capacity at Ilva, the Italian state steel group.

The Rome government has been strongly resisting the scale of the Ilva cuts, arguing that they would compromise the viability of the Taranto steel works in southern Italy, the largest in Europe, and create a serious social problem with rising unemployment.

Italy is now expected to draw up a new plan covering both the public and private sector

and Mr. Paolo Savona, the industry minister, is expected to establish a commission with a brief to find a solution acceptable to the EU.

Italy, it seems, is willing to play for high stakes. But it does not wish to be seen pitted against all its partners, nor be accused of sabotaging integration on the issue of steel which was central to the early stages of forming a common market.

In the view of the unions, who are seeking an early meeting with the government, the best solution would be to spread the production cuts into the private sector. They argue that Taranto is a very modern plant with another 30 years of productive life. Better to eliminate capacity among the older private plants, in particular Falck's operation at Sesto San Giovanni on the outskirts of Milan.

Taranto has an unemployment rate exceeding 25 per

cent, and rationalisation of Ilva puts a quarter of the 13,000 steel jobs there at risk. Mr. Carlo Azeglio Ciampi, Italy's prime minister, last week took the unprecedented step of writing a personal letter to Mr. Jacques Delors, Commission president, warning of "explosive social consequences" if Taranto were compromised.

The government has its hands full trying to ensure the 1994 budget passes smoothly through parliament and is anxious to avoid social unrest as the country moves towards an early general election.

The loss-making Ilva group, controlled by Iri, the state holding, is being split in two covering flat products (essentially Taranto) and special steels.

The main privatisation issue is who will take over Taranto. Both France's Usinor and Japan's Nippon Steel are possibilities.

Ciampi's fate rides on local elections

By Robert Graham

THE leaders of Italy's main political parties held rallies across the country yesterday urging a heavy turn-out in today's municipal elections.

The poll, covering almost 11m voters, a quarter of the electorate, will be an important test of opinion. The outcome is liable to determine the life of Mr. Carlo Azeglio Ciampi's government.

Overall, 450 city and town councils are up for renewal. The main interest centres on the big cities - Genoa, Trieste and Venice in the north, Rome in the centre and Naples and Palermo in the south.

In the north Mr. Umberto Bossi's populist League will be seeking to extend its domination. In the last partial municipal elections in June, the League succeeded in its main objective in taking Milan.

Elsewhere the long-governing Christian Democrats will be desperately trying to maintain the allegiance of the electorate, especially in southern Italy.

The opinion polls suggest they will suffer a sharp loss of support and, for the first time since 1946, will hold no large city.

They are expected to lose out to the neo-fascist MSI on the right, and on the left to coalitions sponsored by the former communist Party of the Democratic Left.

Under new rules for the direct election of mayors, candidates must either obtain an absolute majority or face a run-off between the top two candidates within two weeks.

The backers of the winning mayor candidate are then allocated 60 per cent of council seats to ensure a stable governing coalition.

Most municipal contests are expected to go to a second round due on December 5. However, Mr. Leoluca Orlando, the leader of the reformist movement, La Rete (The Network), is expected to win Palermo outright, according to the polls.

Timesharers get time for thought

By Andrew Hill in Brussels and Michael Skapinker in London

EUROPEAN Union ministers yesterday agreed new measures to protect potential buyers of timeshare properties from unscrupulous sellers.

Since timeshare ownership became popular, buyers have often complained about high-pressure selling techniques and their inability to bring sales people based in other countries to justice.

The directive approved yesterday provides for a minimum 10-day "cooling-off" period to allow timeshare purchasers to change their minds.

Britain, which has pushed hard for European-wide legislation, welcomed agreement on the directive. Many British people have bought a share in holiday homes, particularly in Spain. Existing UK legislation includes a 14-day cooling-off period, but applies only to contracts signed in Britain, or under UK law.

The new EU legislation also calls for contracts to be written in two languages to avoid confusion, and prevents sellers asking for deposits during the cooling-off period.

The directive did not meet

with the approval of all consumer affairs ministers. Italy and Portugal voted against it on the grounds that there should be a deposit and the Dutch abstained after calling for a longer cooling-off period.

However, Lord Strathclyde, UK consumer affairs minister, who was not present for the agreement, said it was "an effective package of consumer protection law" which would avoid "unnecessary and bureaucratic burdens on the industry".

The measures were attached, however, by the Timeshare Council, which represents legitimate timeshare companies in the UK. Mr. Norman Burden, the council's chairman, said that the prohibition on deposits was unacceptable to the industry.

He said: "It goes against centuries of good commercial practice and undermines the mutual commitment which is the basis of every satisfactory contract. We shall continue to fight hard for the right to reasonable deposits."

He added: "This new move brings a lot of uncertainty to an industry that sustains around 20,000 full-time jobs in Europe."

Industrial output falls in France

By David Buchanan in Paris

A DROP in car and consumer goods sales led to a 0.3 per cent decline in French industrial output in September from the level of the previous two months, according to Insee, the official statistics agency. However, Insee revised upward its initial estimate of zero growth in gross domestic product in the second quarter to an increase of 0.3 per cent.

The economy ministry, commenting on the output figure, said the fact that the overall level in July-September was 0.45 per cent higher than in the previous quarter convinced it that France was on the road to recovery.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Niederwallstrasse 1, 60311 Frankfurt am Main, Germany. Telephone: +49 69 150 150. Fax: +49 69 150 444. Telex: 416153. Registered by Federal Office for Copyright Clearance, Bonn. Printed by DVM Druck-Vertrieb und Marketing GmbH, Adolph-Rosenfeld-Strasse 24, 63303 Neu-Isenburg (owned by Hefelberg International). Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London; and F.T. (Germany) Advertising Ltd, London. Shareholders of the above mentioned two companies are: The Financial Times Limited, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

FRANCE
Publishing Director: J. Rolley, 108 Rue de Rivoli, F-75004 Paris Cedex 01. Telephone (01) 4297-0421. Fax (01) 4297-0429. Printed at the Paris Press, 1521 Rue de Caen, F-93100 Bobigny Cedex 1. Editor: Richard Lambert. ISSN: ISSN 1144-6735. Commerce Paritaire No 67002.

DENMARK
Financial Times (Scandinavia) Ltd, Vimmelskaftet 42A, DK-1165 Copenhagen K. Telephone 33 14 44 41. Fax 33 93 53 25.

The Gleneagles January Sale.

(No sleeping bag or thermos necessary.)

While the bargain-hunters are camping out on the streets of the West End, what will you be doing?

A relaxing stay at Gleneagles, voted Britain's Best Hotel, certainly beats pushing and shoving for cut-price coats and crockery.

This January, you could stay in a double or single room for just £79 per night. With a full

Scottish breakfast included, it has to be the bargain of the year.

Gleneagles has the finest golf courses in Scotland, so you



Just £79 per room per night.

might also see some amazing reductions in your handicap.

After a little riding, shooting or fishing in the glens, visit our spa, or just sit back and sample a fine malt whisky in front of a roaring log fire. The West End can go to blazes.

There are many excellent fly-drive deals available, so

make your reservation now. Telephone Gleneagles direct on 0764 662231.



SUPERIOR AND DELUXE ROOMS CAN BE RESERVED FOR ONLY £10 EXTRA PER PERSON, AND SUITES FOR £30 EXTRA PER PERSON. COSTS WILL BE FREE OF CHARGE. EXTRA BED IN PARENTS ROOM WILL BE £10. ROOMS ARE ALL SUBJECT TO AVAILABILITY. MAXIMUM 5 ROOMS PER NIGHT CAN BE BOOKED BY ANY ONE PARTY. THE GLENEAGLES SALE RUNS FROM JANUARY 2ND UNTIL JANUARY 31ST 1994 AND EXCLUDES THE 21ST, 22ND, 27TH, 28TH AND 29TH OF JANUARY. NOT TO BE USED IN CONJUNCTION WITH ANY OTHER OFFER. *COURSE FEES ARE ADDITIONAL TO ROOM CHARGES.

Britain threatens tougher sanctions

Ban fails to halt Nigerian protests

By Paul Adams in Lagos

STRIKES, protests and fuel shortages continued in southern Nigerian cities yesterday, despite a ban on all demonstrations and an assurance by the government that it will not lift the 700 per cent fuel price rise which sparked off the strikes.

General Sani Abacha, Nigeria's new military head of state, issued a warning on Thursday that political opponents would be suppressed and "political associations" would be proscribed.

The new government is being assembled while Mr Ernest Shonekan's civilian interim government ministers and the elected governors of all 36 states, dismissed by Gen Abacha on Thursday, are clearing their desks. An announcement of the new cabinet is expected by Monday.

Britain warned Gen Abacha it was discussing tougher sanc-

tions with its international partners after what it called his deplorable decision to ban political parties.

The foreign secretary, Mr Douglas Hurd, told parliament that Britain's patience towards its former colony was running out. "We deplore the decision of the Nigerian military to take back power and, as announced last night, to dissolve all democratically elected institutions," he said.

Britain, other EC countries and the US imposed sanctions on Nigeria, Africa's most populous nation, after the previous military government annulled the results of a presidential election in June.

Sources close to the military said the seizure of power which took most Nigerians by surprise on Wednesday, was intended to pre-empt action by less senior officers in the armed forces who grew restive over the interim government's loss of control and the stalled

transition to democracy.

The measures begun by Mr Shonekan to stop fuel racketeering have already taken effect in the north's main city, Kano, where fuel is on sale at the official price for the first time in months.

A official in charge of the Oil Ministry until a minister is appointed told the big oil marketers there was no question of rolling back the fuel price, increased from N0.70 to N5 (15p) a litre last week, and they would be assisted in delivering to filling stations.

Lagos, the commercial capital, is still badly affected by the general strike. The port is closed, big banks and factories are shut, and fuel and public transport are scarce.

Violent clashes were reported in parts of the Yoruba-speaking south-west, the homeland of Mr Moshood Abiola, who was the unofficial winner of the presidential poll annulled in June.

US Senate passes \$22bn anti-crime bill

By Jurek Martin in Washington

THE US Senate yesterday overwhelmingly passed a \$22bn (£14.7bn) anti-crime bill, but doubts remained whether both houses of congress could agree on unified legislation before they adjourn next week.

Following its 95-4 vote, the Senate immediately moved on to debating the Brady bill, which would impose a five-day waiting period on buyers of handguns. This measure, named after Mr James Brady, the White House press secretary severely wounded in 1981 in

the attempt on President Ronald Reagan's life, has already secured the approval of the House.

The most significant features of the omnibus crime bill include funding for an additional 100,000 police officers, a ban on the sale of 19 types of semi-automatic assault weapons, among them the AK-47 and the Uzi, and tougher sentences for persistent offenders and those found guilty of violent crime in which guns are used.

Ms Janet Reno, the attorney general, said in a television interview that both the Brady bill and the ban on certain

types of assault weapons were "critically important steps in developing a programme where we make sure that weapons are rationally and properly used in America".

Unlike the Senate, the House has taken a piecemeal approach to crime legislation, passing individual bills rather than lumping them together. Even if reconciliation cannot be achieved in a conference committee of both chambers over the next few days, legislation can be carried over into the next session, starting in January.

In a magazine interview this week,

President Bill Clinton said he might advance additional gun control measures next year, and Senator Daniel Patrick Moynihan of New York has already proposed punitive tax increases on the sale of ammunition. The president did not exclude asking for a total ban on handgun sales, though this would probably come much later.

The National Rifle Association, the powerful lobby against gun control, had some success in watering down the Senate bill and will be particularly pleased if the Brady bill fails by the wayside, as it has for seven years.

American Airlines sues strikers

By Frank McGurty in New York

AMERICAN Airlines said yesterday it had filed a law suit in Texas charging the trade union representing striking flight attendants with falsely implying that the carrier's operations were unsafe.

The airline, the second-largest US carrier after United, took the action on Thursday after 21,000 members of the Association of Flight Attendants began an 11-day walkout over proposed changes in staffing, work rules and fringe benefits. The strike is intended to disrupt American's flights during the busy Thanksgiving day holiday period.

American, a division of AMR, has tried to continue operating with other employees trained to replace the strikers temporarily. It was also recruiting new flight attendants at its headquarters in Fort Worth, Texas, and 30 other cities.



An exasperated passenger, Cecilia Lui, waits at American's Los Angeles airport counter after her flight to Argentina was cancelled.

The suit charges that the union and its public relations firm, Abernathy & Mitchell of Washington DC, have asked travel agents to steer customers away from American flights on the grounds that its staffing levels and training

programme were unsafe. Mr Ray Abernathy of Abernathy & Mitchell, denied that the firm or the union had ever "alleged or implied American Airlines' operations or aircraft were unsafe".

The airline is seeking unpe-

cified damages for business losses and \$10m (£6.7m) in punitive damages.

On the first day, the strike appeared to be far more successful than the airline had expected. The union said about 90 per cent of its members at

American were honouring picket lines and the airline's system was "virtually shut".

The airline had to cancel many flights and restrict others to freight and mail. Many passengers were found seats at competing airlines.

Spanish minister quits over police search laws

By Tom Burns in Madrid

MR Jose Luis Corcuera, Spain's long-standing interior minister, yesterday tendered his resignation, prompting the first cabinet crisis for Mr Felipe Gonzalez since he was returned to power at the head of a minority government in general elections last June.

Mr Corcuera's aide said he had resigned "irrevocably" after Spain's Supreme Court, the 12-member Tribunal Constitucional, ruled against powers in new public security legislation drawn up by the interior ministry for police to search the homes of suspected drug dealers without a court order.

The resignation is politically ill-timed for Mr Gonzalez, who

had hoped to delay a cabinet reshuffle until early next year, when he planned to bring in members of minority nationalist parties from the Basque Country and Catalonia to the government.

Mr Corcuera had been among those earmarked to leave the government, as he is likely to run for a senior post in the ruling Socialist party at its national congress in March. Neither the Basques nor the Catalans have however shown any inclination so far to join the government and Mr Gonzalez will next week have to find an unexpected substitute for Mr Corcuera, which will make his cabinet look rather like a caretaker administration.

Complicating the prime min-

ister's choice were reports yesterday that senior officials in the interior ministry, who might have been expected to replace Mr Corcuera, had indicated that they wished to resign along with him.

Mr Corcuera, who joined the cabinet in 1988, had served notice during June's election campaign that he would resign if any articles of his department's security legislation were ruled unconstitutional.

An electrician by training and a former trade union official, he is the only member of Mr Gonzalez's Socialist government who is not a university graduate, and his tough and blunt stand against both terrorism and drug dealers had earned him widespread respect and affection.

P&G hopes to clean up in Russian market

By Richard Waters in New York

THE battle by foreign consumer products companies for the loyalty of Russian consumers was stepped up yesterday as Procter & Gamble, the US giant, announced plans to take a controlling stake in a

manufacturing plant near Moscow.

The deal, worth more than \$50m (£33.5m), marks an expansion of the US group's latest foray into eastern Europe, and signals its intention of selling a broader range of products to Russian consumers.

At present P&G makes two detergents in Russia: Ariel, the world's biggest-selling brand and Tix, a local brand. Once it takes control of the plant in Novomoskovsk, 130 miles from Moscow, the company says it will expand its range of detergents and cleaning products made in the country.

"We see great promise in this [Russian] market," said P&G. The company has already built or is building plants in Hungary, Poland and the Czech republic.

"Right now it's in the laundry business, but it could be other products in future," Leyla Boniton adds from

Moscow. The acquisition is the latest of a series of purchases by foreign buyers belatedly taking part in the mass Russian privatisation programme.

The sell-off of large numbers of Russian factories is designed to improve their performance and attract badly-needed foreign investment.

"AT SCHWAB, WE'RE COMMITTED TO SERVING THE INTERNATIONAL INVESTOR"

—Charles Schwab, Chairman
Charles Schwab & Co., Inc.



With \$85 billion in customer assets, Charles Schwab & Co., Inc. is one of America's leading brokerage companies.

Now, Schwab provides low-cost, convenient investment services to independent investors all over the world.

As a Schwab customer—no matter where you are—quick and efficient trading in U.S. markets, securities information and confidential service are only a phone call away, 24 hours a day, seven days a week.

Schwab also means value. For example, when you trade through Schwab, you can save up to 76% compared to what you pay a full-cost U.S. broker.*

And now, Schwab is introducing a new investment service—bond, equity and currency funds—free of sales charges.

Committed to serving the international investor, we have established an affiliate, Charles Schwab Limited-London, and three International Service Centers staffed with specially trained investment professionals.

For more information, just complete and return this coupon or call free of charge.

Also, ask about our Schwab One International™ Account designed for the international investor.

Britain-0800 526027
Germany-0130 81 74 65

Charles Schwab
For Today's International Investor

Please send me more information on Schwab products and services and the Schwab brokerage account.

Charles Schwab Limited
55 South Aulley Street
London W1Y 5PA
United Kingdom

Or call 44-71-493-7444
FAX 44-71-409-0799

Name _____
Address _____
Country _____ Postal Code _____
Phone _____

This document has been issued by Charles Schwab & Co., Inc., and has been approved for distribution in the U.K. by Charles Schwab Limited, a member of the SFA. Neither Charles Schwab & Co., Inc. nor the managers of the funds are authorized to carry on investment business in the U.K., which means that all or most of the provisions provided by the United Kingdom regulatory system do not apply, including compensation under the UK Investors Compensation Scheme, but they are regulated under the rules of their own jurisdictions. The UK Financial Services (Cancellation) Rules 1989 do not apply to purchases of shares in any offshore funds. Investments in foreign currency will be subject to movements in the exchange rates which may have an adverse effect on the value, price or income of your investment. The value of and yields from investments may fall as well as rise. The value of investments may also be adversely affected by insolvency or other financial difficulties affecting an institution in which a fund's cash has been deposited or whose securities the fund has acquired. Offshore funds are not available to US citizens or residents and may not be available to residents of certain countries. *Based on an April 1993 survey conducted by Charles Schwab & Co., Inc. available on request. Subject to a \$39 minimum commission. Charles Schwab & Co., Inc. © 1993 Member SIPC/NYSE

TRAVELLERS' needs haven't changed — mine is the second oldest profession in the world.

Tony Elliott, Proprietor of the Greenway Hotel, Cardenham since 1972.

AT the GREENWAY Hotel and other colourful places... That'll do nicely.

NEWS: INTERNATIONAL

US and EU make fresh attempt to break Uruguay Round logjam

Farm trade officials in secret talks

By David Gardner in Brussels

TALKS between the European Union and the US on the farm trade controversy secretly restarted yesterday in Brussels as Sir Leon Brittan, chief EU trade negotiator, prepared to meet Mr Mickey Kantor, US trade representative, in Washington on Monday to attempt to break the deadlock in the Uruguay Round of world trade negotiations.

Mr Joe O'Mara, a senior official from the US Agriculture Department, yesterday met Mr Guy Legras, head of the European

Commission's agriculture directorate.

"We had a discussion, and it's one of a series of discussions

Gatt countdown, Page 9

we've been having, and that will continue" between now and the December 15 deadline set to conclude the Round, Mr O'Mara said.

He refused to divulge any details of the talks, which the Commission has not acknowledged as taking place.

Mr O'Mara was due to fly back to Washington today.

Officials in Brussels believe the two main items discussed were the Blair House agreement the two sides reached 13 months ago, to cut subsidised food exports, and market access for agricultural products.

Blair House is one of the foundations on which success in the Uruguay Round depends. While both sides say they do not want to re-open the hard-won deal, the EU, under French threats to veto an overall trade deal, is seeking "clarification" or additional

concessions.

Washington, which believes Brussels got the better of the Blair House compromise, wants additional guarantees on entry to European food markets.

Senior officials here believe the most likely "clarification" Washington would be prepared to concede would be to ease the "front-loading" of the 21 per cent cuts in subsidised export volume.

A joint memorandum worked out by both sides after the Blair House deal was struck envisages that these cuts would take place evenly

over the six years of the agreement, with some flexibility to offset cuts from one year if they were "paid back" the following year.

This flexibility might be increased to allow a greater shift towards the end of the six years. By then, if the EU's reform of its Common Agricultural Policy is working, the cuts might not have to be made at all. The CAP reform is intended to rein in overproduction and reduce grain prices to world market level, whereby they could be exported without subsidy and free from Gatt constraints.

Brittan and Kantor try again on Gatt deadlock

By David Dochow in Geneva

THE SCOPE of the Uruguay Round package of global trade reforms will hinge critically on significant deadlock-breaking initiatives from top US and European Union trade officials when they meet in Washington next week, according to trade negotiators in Geneva yesterday.

Mr Peter Sutherland, director general of the General Agreement on Tariffs and Trade which oversees the Uruguay Round, told a meeting of all trade negotiators that it was "particularly urgent" that the major trading powers bring to the table a decisive contribution that will enable us to achieve the balanced package necessary to conclude the round.

He warned of the danger that participants in the negotiations will withdraw conditional market opening offers "unless there is a determined and vigorous effort next week to move the market access package forward decisively".

The comments add weight to an increasing awareness that the Kantor-Brittan meeting in Washington on Monday and Tuesday next week will play a critical part in shaping the final

Uruguay Round package. Negotiators remained confident yesterday that agreement will be reached by the December 15 deadline, but emphasised that the outcome of the Washington talks would determine whether it would be a "big agreement", or more modest in its scope.

Both the US and the EU have assembled large technical teams to back their top trade negotiators in the event of any breakthrough in Washington. These will cover farm trade, trade in goods, financial services, subsidies and dumping rules.

Trade negotiators who only a day earlier were praising US President Bill Clinton for his success in winning Congressional support for the North American Free Trade Agreement were yesterday fiercely critical of issues being raised by the US which are jeopardising progress towards an agreement.

The US was criticised in particular for putting conditions on its offer dealing with trade in financial services, and for wanting to insulate its tax authorities from multilateral discipline if they were ever to discriminate against foreign companies. Mr

Sutherland complained that these moves "may prove utterly counterproductive".

Several countries have threatened to withdraw their offers in financial services if the US does not change its position. These include India, Malaysia and Hong Kong.

"Unless there is an urgent review of these positions, not only will the effort we have made to improve existing offers falter, but the important progress that we have already made may begin to unravel," said Mr Sutherland.

He called on the US to tackle "domestic interests who may take unrealistic positions on what it is possible to achieve in this first multilateral negotiation."

Mr Les Samuels, the US Treasury assistant secretary responsible for tax policy, is due to arrive in Geneva on Monday to explain the present US position, and to listen to reactions.

Judging from the views expressed by trade negotiators yesterday, Mr Samuels must expect some uncomfortable discussions.

The US has also been attacked for trying to weaken proposed anti-dumping rules.

Japan sticks on rice issue

By Michio Nakamoto and Emiko Terazono in Tokyo

JAPAN'S revised schedule of tariff reductions submitted yesterday to Gatt includes no offer on the most sensitive categories - white spirits, leather, forest and agricultural products including rice - where the country is facing demands for improved foreign access.

The move by Japan, which has publicly expressed a strong desire to help push the Uruguay Round negotiations to a successful conclusion by the December 15 deadline, shows the difficulties negotiators still face.

Meanwhile an official at the trade ministry said there was nothing more to offer at this point on leather and leather shoes, which have been a point of contention with the EC.

For mining and manufactured products, however, Japan indicated it was willing to be more compromising with an offer of an average 60 per cent cut in tariffs on 6,600 products, which will bring average tariffs on these products to 1.5 per cent.

On rice Mr Morihiro Hosokawa, the prime minister, indicated yesterday that there might be scope for Japan to

accept minimum levels of imports. Although he reiterated the official line that the government opposed lifting the ban on rice imports and denied media reports that US and Japan had agreed on a compromise deal over rice, he said he could not tell what would happen after the negotiations.

Japan is seeking to avoid being blamed for delaying the Uruguay Round. Officials are currently under negotiations with the US over a compromise agreement to partially open its rice market in exchange for rice to be exempt from tariffication.

Japanese officials want a six-year moratorium on tariffication of rice imports, during which Japan would import 4 to 6 per cent of its domestic consumption, a slightly higher range than the 3 to 5 per cent minimum access level under Gatt's Dunkel text.

The Japanese government aims to appease both the international community and the Japanese public with its proposal. However, whether it will be accepted by the US and other countries remains to be seen, since it fails to guarantee that Japan will open its rice market through tariffication after the six year grace period.



China's foreign minister, Qian Qichen, and President Jiang Zemin (left) meet the daughter of a Boeing worker at her home in Marysville, near Seattle, where the Asia Pacific Economic Co-operation meeting is being held.

Hosokawa to cut income tax to stimulate economy

By William Dawkins in Tokyo

THE JAPANESE government yesterday confirmed that it plans to cut income tax early next year in an attempt to stimulate stubbornly poor domestic demand.

Mr Morihiro Hosokawa, the prime minister, said he would implement tax reform in line with yesterday's long expected proposals from a government tax panel, for a cut in income tax, to be funded by an increase in consumption tax.

Japanese business groups and the US government agree that a cut in income tax is vital to help pull Japan out of recession. The changes are part of a wider overhaul of the tax system, designed to spread the tax burden more evenly and avoid a drop in government tax revenue as Japan's population ages.

The panel left the precise size and timing to the government, but economists assume the income tax cut will be

worth ¥5,000bn (\$31,446m). That should lift next year's growth by 0.6 per cent, Asahi Bank forecast yesterday.

The main recommendations are:

● The top rate of income and residential taxes combined should be cut to 50 per cent from 65 per cent (of which 50 per cent is income tax and 15 per cent residential). Income tax on low incomes should also be reduced.

● Tax reform should not worsen Japan's tight fiscal position.

● Consumption tax should be raised from its current rate of 3 per cent. Food and other necessities should not be exempt.

● Inheritance taxes should be reviewed to ease burden on transfers of property and companies.

● Corporate taxation should be reduced.

The panel will produce more a more detailed final report by the end of next month.

Yesterday's proposals could

increase divisions in the seven-party coalition just as it is banking in the triumph of having pushed political reform plans through the lower house of parliament.

The Social Democratic party, the largest coalition member, opposes a rise in consumption tax on the grounds that this will hit the less well-off. Consumer groups made the same criticism.

However, the Japan Renewal party, the second largest coalition member, follows the powerful finance ministry's line that income tax cuts must be funded by consumption tax rises, rather than by government bonds.

Japan's social security budget will come under heavy demands from its ageing population over the next decade. By 2007, one in five Japanese will be aged 65 or more, making it one of the most aged populations in the industrialised world, up from 13 per cent now.

US to let China buy computer

THE Clinton administration has decided to sell China a supercomputer to help in forecasting natural disasters, AP reports from Seattle.

US officials said the sale of power turbines for nuclear generators had also been tentatively approved.

However, while the supercomputer, manufactured by Cray Research and worth about \$8m (£5.3m), is a "done deal", the sale of the turbines will depend on China showing a willingness to respond to US concerns over human rights and trade practices which inhibit US exports to China in several areas.

Tokyo stocks sink amid fears for financial system

By Emiko Terazono in Tokyo

MOUNTING pessimism over the Japanese economy, a spate of poor corporate earnings figures, and heavy technical selling weighed down Japanese share prices yesterday, pushing the Tokyo market to an eight-month low. The Nikkei average of 225 leading stocks fell 1.2 per cent to 17,941.19, closing below the 18,000 level for the first time since March.

Investors fear that further falls could damage the country's financial system, wiping out chances of Japanese banks writing off bad loans using gains on their stock holdings.

Some brokers had hoped record low interest rates would bring investors back into the market. However, many investors believe that current share prices are too high, and do not fairly reflect the true strength of Japanese corporations and the underlying economy.

The price/earnings ratio for the market stands at around 90 times, and low dividend yields, which currently average 0.8 per cent, are also no attraction.

The Nikkei has lost 8.9 per cent since the beginning of this month, and although recent falls in the index have been exaggerated through technical selling related to a shift in trading of stock indices, overall sentiment over the economic

backdrop remains gloomy.

Interim earnings figures announced over the past few weeks have only reinforced worries over the country's economy. So far, 77 companies have reported unaudited half year results to September, revealing a 26.2 per cent fall in pre-tax profits and a 7.7 per cent decline in sales from a year earlier.

The Bank of Japan said yesterday that signs of an economic pick-up in the second half of the year to March remain unlikely.

Sectors other than housing investment and public spending were performing poorly.

World Stocks, Page 21

US trade deficit widens to \$11bn

By Michael Prowse in Washington

THE faster pace of US economic growth is leading to a wider trade deficit, figures yesterday indicated.

The Commerce Department reported an increase in the trade deficit to \$10.9bn (£7.3bn) in September against \$10bn in August. The shortfall was higher than analysts expected but fell well short of the

\$12.1bn deficit registered in June, the largest deficit to be seen in recent months.

The higher deficit reflected a 3.5 per cent monthly rise in imports to \$49.8bn, which more than offset a 2.1 per cent increase in exports to \$38.9bn. For the first three quarters, imports were up 9.5 from the same period last year against a rise in exports of 3.1 per cent.

In its latest forecast for the

US economy, out this week, the Organisation for Economic Co-operation and Development projected a current account deficit of \$107bn this year, rising to \$135bn, or 2 per cent of gross domestic product, next year. The external deficit was \$65bn last year.

The rise in the US trade deficit mainly reflects faster economic growth in the US than in most overseas markets, especially Japan and Europe.

Many forecasters predict US growth at 4 per cent a year or more this quarter.

There is little sign of any erosion of American export competitiveness. In the first three quarters, US exports to Asian newly-industrialising economies rose 10 per cent relative to the same period last year. US exports to the European Community were down but that mainly reflected the weakness of European demand.

My role as a royal.

Prince Charles in the Middle East.

In Monday's FT Michael Cassall reports on his recent tour with Prince Charles to the Middle East.

Cassall travelled with Prince Charles and was given rare access to his meetings with royal families, ministers and business leaders in the area.

After several bruising years Prince Charles and his team are fighting to reassert his authority and refocus public attention on his unique role.

Monday's report provides an illuminating insight into the Prince's ambitions.

FT. Because business is never black and white.

Hyundai, Daewoo at odds over leadership of Korea TGV project

By John Burton in Seoul

DISAGREEMENTS have erupted between GEC Alsthom's main Korean partners, Hyundai and Daewoo, over which should lead the domestic consortium to make the Train a Grande Vitesse (TGV) for the country's new high-speed rail project.

The dispute comes as GEC Alsthom is trying to conclude negotiations with the Korean government by the end of the year on a \$2.4bn (£1.6bn) contract for the supply of TGV trains and technology.

Hyundai Precision and Industry triggered the row this week when it said it had been selected by GEC Alsthom to lead the Korean consortium building half of the 46 TGV

trains, which will run between Seoul and Pusan by 2001.

Daewoo Heavy Industries, another participant in the consortium, protested against the decision, claiming that GEC Alsthom had promised it would be the main subcontractor for the transfer of TGV technology.

"Daewoo and GEC Alsthom have a contract on the transfer of high-speed rail technology, and GEC Alsthom named Daewoo the leading manufacturer in its bidding offer," said Mr Suk Jin-chul, president of Daewoo Heavy Industries.

"I cannot understand how GEC Alsthom can ignore such an agreement and select Hyundai. We will take all necessary legal actions if Hyundai is named its final choice."

Daewoo had also expected to be chosen as consortium leader because it had co-operated with GEC over the past decade in building rail carriages for Seoul's underground system.

Daewoo suggested that GEC Alsthom selected Hyundai because Hyundai might be more willing than Daewoo to establish a joint venture with GEC Alsthom to produce conventional rail carriages for Korea's expanding rail and underground networks.

Mr Ambrose Carion, director of GEC Alsthom's Seoul office, yesterday dismissed Daewoo's claim of exclusive rights to TGV technology as "nonsense".

He said all three main subcontractors, which include Hanjin Heavy Industries,

would have equal access to TGV technology. Hyundai Precision, which makes transport equipment, was selected as the consortium leader on the basis of its industrial and technical capability.

Hyundai is expected to receive 40 per cent of the Korean half of the TGV contract, with Daewoo getting another 40 per cent and Hanjin 20 per cent.

The dispute is the second to hit the Korean TGV project since GEC Alsthom won priority negotiating rights in August for the train contract. Siemens, which competed against GEC Alsthom for the contract, lodged a protest at the decision, claiming the Korean government's selection process was unfair and biased.

More for your money.

The new, improved Monday FT. Starts Mon. November 22.

The Monday FT is changing. Starting soon it will incorporate a host of new features to give you a clearer view of the week to come.

It will highlight emerging trends, discussing how changes in the markets will affect you.

There will be regular articles looking at what the future holds for well known companies and individuals. You'll also find a comprehensive diary of the week's business and social events. (Those you want to know. And those you need to know.)

So you could just find you're still using it on Tuesday. And Wednesday. And Thursday. And Friday. And...

The new Monday FT.

FT. Because business is never black and white.

NEWS: UK

Teachers vote to continue boycott of tests

By John Authors

INDUSTRIAL ACTION in schools in England and Wales looks set to continue after the largest teachers' union voted to maintain its boycott of national curriculum tests.

The government was swift to condemn the decision by the National Union of Teachers, which was made despite a series of concessions. Other teachers' unions showed solidarity with the NUT in continuing the boycott.

Last summer, boycotts by all three main teaching unions reduced the first national tests for 14-year-olds to a farce, and forced the abandonment of plans to publish league tables of schools' performance in the tests.

Since then, the Schools Curriculum and Assessment Authority, chaired by Sir Ron Dearing, has announced that the number of items on which teachers must assess 14-year-olds will be cut from 41 to six, while plans have been scrapped for national tests in technology, modern

languages, history and geography. But all the main unions said teachers had yet to see any evidence of reduced workload.

The NUT's ballot had 68,732 members in favour of continuing the boycott with only 3,477 against. About 130,000 were eligible to vote.

Mr Doug McAvoy, NUT general secretary, said: "The interim Dearing report, the attitude of government and the material for future testing currently available have not convinced teachers that the prob-

lems of workload and educationally unsound tests have been resolved."

Sir Ron is due to report to the Department for Education on detailed changes to the curriculum by the end of next month, but Mr McAvoy said these were unlikely to have an impact on the NUT's boycott. The union will consult its members less formally when more information on testing is available.

Baroness Blatch, education minister, said: "Parents will find it difficult to understand the reason behind

this decision given the changes already made as a result of Sir Ron Dearing, and the degree to which teachers have been consulted."

Mr Chris Woodhead, chief executive of the Schools Curriculum and Assessment Authority, described the news as "disappointing", and said the tests had already been "streamlined" to "provide teachers and parents with essential information about children's progress".

However, other teachers' unions gave strong support to the NUT. Mr

Peter Smith, general secretary of the Association of Teachers and Lecturers, whose union will ballot on the boycott after Sir Ron's final report has been published, said: "We would have expected the same result from our members. Teachers in schools, rather than policymakers, are yet to experience a real reduction in a killing workload."

Mr Nigel de Gruchy, general secretary of the NASUWT teachers' union, said his union's boycott would continue.

Waste groups slam Tupe 'confusion'

By John Authors

WASTE DISPOSAL contractors will assume they must take on existing workforces on unchanged pay and conditions when bidding for local authority contracts, following new trade association guidance.

The decision by the National Association of Waste Disposal Contractors conflicts with government advice that there is no need to assume that the controversial Transfer of Undertakings (Public Employees) Regulations of 1981, known as Tupe, apply to competitive tendering.

Mr Steve Webb, policy director for the association, said the decision was necessary because "some authorities were using the confusion to suit themselves and they would apply Tupe when they wanted to and not when they didn't".

He said the government had added to the confusion by failing to make a firm statement on the issue. "The only thing we seemed able to do was to adopt a policy that we would assume that Tupe does apply. That at least puts some limits of certainty into the situation."

Mr Webb said the association was confident its members would continue to win local authority contracts even if they did not make swift savings through redundancies or pay reductions.

The environment department said the association was free to tender on this basis if it wished, but "the legal position remains that private contractors cannot determine just like that whether Tupe applies".

The Association of Metropolitan Authorities welcomed the association's decision as "a delayed recognition that Tupe at least exists".

However, Mr Lesley Courant, the AMA's Tupe specialist, said it should be left to local authorities to say whether Tupe applied.

Brussels sets price for salmon imports

By Andrew Hill in Brussels and James Buxton

THE European Commission yesterday reacted to pressure from the Irish and British governments by imposing a minimum price on imports of Norwegian salmon into the European Union until the end of the year.

Scottish and Irish salmon producers have been hit by what the Commission described yesterday as "massive imports of Norwegian salmon at low prices".

On Thursday the Norwegians rejected Commission calls to restrict salmon exports. Yesterday, Mr Yanis Paleokrassas, the fisheries commissioner, took action under the safeguard rules of the EU's common fisheries policy.

The decision comes at a sensitive time for Norway, which is negotiating membership of the EU. Finding a way to preserve Norwegian fisheries is one of the trickiest aspects of the membership talks.

The Commission's move was also attacked for not going far enough by the Scottish Salmon Growers Association. Mr Jim Payne, chairman, said: "The levels of minimum import prices simply cement the market price at Norwegian dumping levels and do nothing to resolve the crisis in the industry."

The new minimum import price for fresh and frozen whole (ungutted) salmon is Ecu2.860 (£3.633) per net tonne.

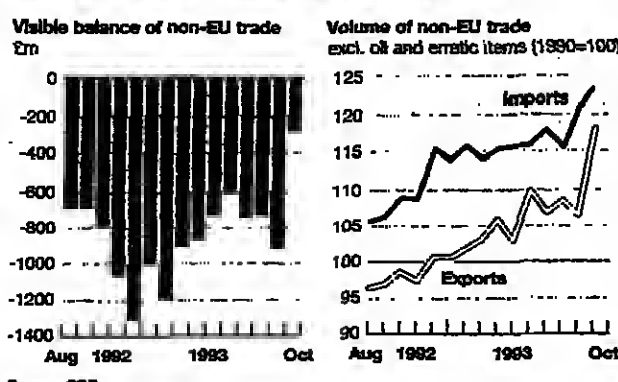
The Scottish Salmon Growers Association says that works out at £1.23 per pound, below the current weighted average price of £1.32 per pound for salmon at fish markets. Prices have risen slightly since touching a low point recently of about £1 per pound.

However, Norwegian sources said last night that the minimum price would represent an increase "in relation to the price of the last few weeks". Officials claim that total exports of Norwegian salmon for this year are forecast to rise by only 5 per cent.

Norwegian salmon farmers say output is set to grow faster in Scotland and Ireland than in Norway. They recently ended talks with Scottish and Irish farmers on creating a network of producer organisations aimed at controlling production.

The Irish government had formally requested safeguard measures, but the British authorities - to the irritation of Scottish salmon farmers - had only asked for "appropriate measures" to deal with the problem.

Non-EU trade: balance and volume

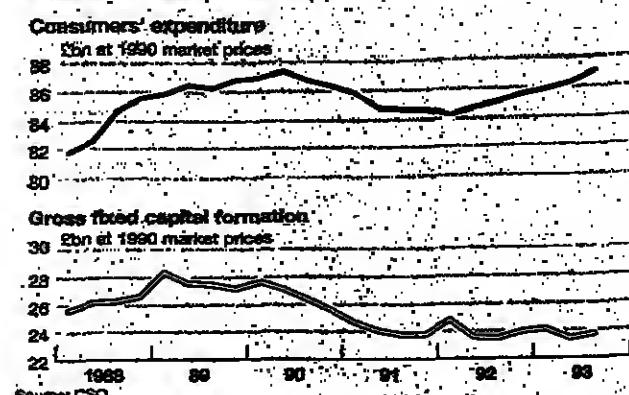


Non-EU trade: value

Balance-of-payments basis, seasonally adjusted (£m)						
	Exports	Imports	Balance	Exports	Imports	
1991	44,477	53,283	-8,406	38,288	45,290	-6,902
1992	46,882	56,431	-9,749	40,824	48,087	-7,473
1992 Q2	11,665	13,856	-2,191	10,128	11,779	-1,648
Q3	11,577	13,675	-2,098	10,069	11,567	-1,598
Q4	12,134	15,295	-3,161	10,574	13,119	-2,545
1993 Q1	13,670	16,785	-3,095	11,762	14,086	-2,304
Q2	14,205	18,421	-2,216	12,628	14,181	-2,105
Q3	14,602	18,965	-2,393	12,606	14,484	-1,878
May	4,665	5,408	-743	3,822	4,746	-924
June	4,863	5,468	-605	4,133	4,880	-747
July	4,847	5,591	-744	4,173	4,948	-775
August	4,906	5,633	-728	4,204	4,744	-540
September	4,850	5,771	-921	4,229	4,882	-653
October	5,276	5,568	-293	4,686	5,016	-330

Defined as ship, aircraft, precious stones and other

Spending and investment



Non-EU trade gap falls sharply

By Peter Norman, Economics Editor

BRITAIN'S trade deficit with countries outside the European Union fell sharply to its lowest level for nearly six years last month as exports jumped to records in value terms.

The Central Statistical Office reported yesterday that the visible trade gap narrowed to a seasonally adjusted £283m in October. The figure for September's deficit was revised down to £321m from £1.09bn.

The October deficit, the smallest with non-EU countries since January 1988 - when the CSO first produced such figures - reflected a jump of nearly 9 per cent in the value of exports to £5.28bn last month. At the same time imports fell 3.5 per cent to

£5.57bn from £5.77bn. Britain recorded a surplus in trade in manufactures with non-EU countries of £170m last month, the first such surplus since January 1988. Exports of finished manufactures, food and fuels rose sharply last month in volume terms.

Yesterday's figures suggest that UK exporters are taking advantage of stronger growth in the US. The £138m surplus in north American trade in October was the highest since March 1989.

Taking three-month figures, which the government says give a better guide to trends, exports in August, September and October were 4.5 per cent higher in value terms than in the May-July period while imports rose 3 per cent. Compared with the same period

last year, exports were 28 per cent higher and imports 22 per cent higher.

In volume terms, exports were 2 per cent higher in the latest three months compared with the three months to the end of July, while imports were up 4 per cent. Volume exports and imports were up by 14 per cent and 12 per cent respectively compared with August-October 1992.

Just under half Britain's visible trade is with non-EU countries. These figures are produced on a more timely basis than those with the UK's European Union partners, which have been plagued by problems with the intrastat system of gathering trade statistics introduced in January.

However, recent large monthly changes in the

non-EU figures have made it difficult for the CSO to assess the trend, although the deficit appears to have been falling since January. Its latest estimates of trends suggested that UK exports to non-EU countries were growing in value at 1.5 per cent a month compared with 0.5 per cent growth per month for imports.

Figures for trade volumes have also fluctuated. For example exports excluding oil and erratics items such as ships, aircraft, precious stones and silver jumped 11 per cent in October compared with September, while imports excluding oil and erratics rose by 3.5 per cent. The CSO estimated that underlying export growth was about 1.5 per cent between September and October compared with 1 per cent for imports.

By Peter Norman

CONSUMER spending, much of it on cars and durable goods, was the main support of UK economic growth in the third quarter, government figures indicated yesterday.

The Central Statistical Office reported that consumer spending increased in real terms by a seasonally adjusted 0.9 per cent in the third quarter compared with the second quarter, and by 2.4 per cent compared with the third quarter of 1992.

By contrast, revised figures for UK gross domestic product confirmed a late October report that the economy grew by just 0.6 per cent in the third quarter.

GDP grew by 1.9 per cent compared with the same period of 1992, just under the 2 per cent annual growth estimated last month.

Overall domestic spending on goods and services increased by just 0.3 per cent in the quarter and by 1.4 per cent compared with last year. This was depressed by 2.23m of de-stocking and low government consumption, which grew only 0.2 per cent in the quarter and 1.1 per cent over the past year.

Investment rose by 1.3 per cent in the third quarter after falling 2.9 per cent in the previous three months, and was 1 per cent up on the third quarter of last year.

BZW fined for breach of rules

By Tracy Corrigan

BZW Futures, the futures broking arm of Barclays de Zoete Wedd, has been fined a total of £97,500 by the London International Financial Futures and Options Exchange (LIFFE) for breaching LIFFE rules.

Four BZW floor traders were found to have "acted with reckless disregard for the interests of a client" in incidents between April and June 1992. LIFFE fined all four traders and suspended them from the exchange floor for between two weeks and two months.

The breaches involved executing clients' orders at disadvantageous rates and crediting the resulting profit to a BZW futures account. Nearly 100 bond futures trades were executed through BZW Futures "error account", designed to handle failed trades.

The breaches involved losses to clients of less than £5,000, and there was no personal profit for the traders.

The four were named as Mr Giovanni Cameran, booth man-

ager, Mr Tom Rainey, booth broker, Ms Louise Gibson, pit trader, and Mr Jason Willis, booth broker. Mr Cameran and Mr Rainey have both resigned from BZW, a spokesman said.

Mr Cameran was fined £2,000, Mr Rainey £4,750 and Ms Gibson and Mr Willis £1,000 each by LIFFE.

The breaches were discovered as a result of routine surveillance procedures, according to LIFFE.

Mr Daniel Hodson, chief executive of LIFFE, said: "It is a matter of great regret that these breaches of the exchange's rules occurred."

The breaches are an embarrassment for Mr Nick Durlacher, BZW Futures chairman, who is also the chairman of LIFFE. BZW said yesterday it accepted the findings of the LIFFE disciplinary panel and did not condone any disregard for LIFFE rules.

BZW has about 35 traders and support staff on the LIFFE floor. In 1992, BZW Futures contributed £5.73m to BZW's £241.8m pre-tax profits.

Yarrow staff vote to return to work

By David Goodhart, Labour Editor

STRIKING white-collar workers at Yarrow warship builders on the Clyde yesterday voted to return to work having successfully fought off an attempt to introduce performance-related pay for 500 draughtsmen and supervisory staff.

The staff walked out two weeks ago in protest at a pay offer of 1.8 per cent plus a performance-linked rise of up to 2.6 per cent.

Yesterday's deal gives all white-collar staff a general increase of 2.5 per cent. Officials of the MSF technical union said performance-related pay would never work in the shipbuilding industry.

Yarrow, part of the GEC group, has orders for three warships for the Royal Navy and for two more for the Malaysian navy.

Life houses open attack on SIB plan

By Alison Smith

THE LIFE INSURANCE industry has begun preparing opposition to the draft rules on commission disclosure issued this week by the Securities and Investments Board, the City's chief watchdog.

Allied Dunbar, the life subsidiary of BAT Industries, has written to regulators, politicians and chief executives in the industry warning that it sees no basis on which disclosure

commission can be made fair and informative in terms of disclosing the potential for bias in giving advice.

Mr George Greener, BAT financial services chief executive, argued in the letter that there was a risk that the plans would be manipulated, with offices turning towards salaried rather than commission-based payments to their staff in order to look more competitive.

He added that any disclosure

regime which had to cover a range of sales forces, from independent financial advisers working on a commission basis to the salaried company representative who received bonuses, could not present a clear picture of the equivalent incentive to sell.

Another of the largest life offices, Legal & General, said yesterday that it was "still to be convinced that the proposals were the best way of achieving" the aims of providing

customers with the information they needed.

There is also concern among some life companies at the SIB's recommendation that commission disclosure should apply to term assurance policies, which are taken out for protection rather than for investment.

They fear that this could lead to a requirement for sales agents to reveal the incentive to make a sale on other types of insurance as well.

Hurd hints at end to aid for Bosnia

By Roland Rudd

MR DOUGLAS HURD, the foreign secretary, yesterday warned the warring factions in Bosnia that they could not expect humanitarian aid to continue indefinitely if there was no progress towards peace.

He said in the Commons debate on the Queen's Speech: "If the present political vacuum and lack of co-operation persists, the parties cannot expect the humanitarian commitment, which many of us

undertake, to continue indefinitely. It is unrealistic to suppose that this effort can be expected to go on for ever and ever when it is not receiving local co-operation and there is no progress towards a political settlement."

His remarks were seized upon by the Labour party as a signal that the UK was contemplating the withdrawal of troops from Bosnia.

Mr Jack Cunningham, shadow foreign secretary, described Mr Hurd's "hint that

humanitarian aid might be stopped" as a "grotesque error of judgment". Mr David Clark, shadow defence secretary, said he did not believe the signal was particularly helpful: "British troops should stay in Bosnia as long as their mission is attainable," he said.

Mr Hurd's remarks follow a warning this week from Lord Owen, peace envoy in the former Yugoslavia, that the world community would have to decide how long it could sustain intervention in Bosnia.

Lord Owen told the Confederation of British Industry in Harrogate there was a danger that intervening in civil war only worsened the situation. "There will come a moment when the world community will have to decide how long we can sustain intervention."

Whitehall officials yesterday played down suggestions that Britain might withdraw in the short term, but warned that the UK may seriously consider pulling out if the fighting continues into next spring.

Leak from Dublin spells out half the story

Tim Coone examines the painstakingly crafted wording intended to lead to a settlement in Ulster

THE LEAKED document published by the Irish Press in Dublin yesterday, which sets out the Irish government's view on a possible peace settlement in Northern Ireland, is a draft counterpart to an earlier, equivalent British government paper which remains secret.

Both papers were prepared after talks between civil servants from both governments over the past two months.

Final drafts from both sides are expected to provide the basis for a statement from the British and Irish prime ministers, tentatively scheduled for early December. This would provide a blueprint for a peace settlement in Northern Ireland and a basis for resuming round-table political talks in the province.

The document is not a final draft, and has not been politically cleared at the top level. Indeed Mr Albert Reynolds, the Irish prime minister, yesterday said it had no connection with the peace process. Nonetheless the document is the clearest indication yet of what is seen in Dublin as a basis for a political settlement.

It also indicates the concessions Dublin is seeking from the British government in

return for dropping its territorial claim to the province. Its main points are:

- Both governments must "be open to change" in their "constitutional doctrines" relating to Ulster to reflect more accurately the divided loyalties there, and would be required to "encourage the process of agreement among all the people who inhabit the island".
- Both governments would recognise "the legitimacy of the two major traditions that exist in Ireland - those who wish for no change in the present status of Northern Ireland, and those who wish for a sovereign united Ireland achieved

by peaceful means and by agreement".

- A downgrading of Ireland's constitutional claim to Northern Ireland - to an aspiration - would be balanced by Britain acknowledging "the full legitimacy and value of the goal of Irish unity by agreement, cherished by the greater number of people living in Ireland".
- "Objective meaningful expression and opportunity" to the aspiration of unification would be created through new Anglo-Irish structures and by incorporation of special provisions into any new devolved government structures in Northern Ireland.

A new devolved administration in the province "would assume executive and legislative responsibilities over a wide range of subjects (but) must secure widespread acceptance throughout both communities".

New north-south institutions mandated by both parliaments "to discharge or oversee a range of executive functions" to be "administered uniformly throughout the island". These functions could be expanded by agreement with the new devolved administration.

These institutions would provide the framework for north-south co-operation, especially

generation of Sinn Féin activists to have no future beyond violence. They have been dismayed by the lack of support from Washington for the republican movement and hit by a succession of arms cache discoveries in the republic.

The reports, supported by the contacts of experienced local politicians in the province, offer a partial explanation of Mr Major's public offers this week of a place at the negotiating table for Sinn Féin if it renounced violence.

But officials stressed that doubts remain over whether Mr Adams could prevent a breakaway movement of hard-line IRA terrorists.

for developing an integrated approach for the whole island in respect of the challenges and opportunities of the EC". They would be subject to parliamentary scrutiny, "including any new inter-parliamentary forum which may be set up by agreement between elected representatives north and south".

A standing UK-Irish conference would "guarantee and monitor" a new agreement, and would have "contingency powers of intervention and redress" in the event that devolved power structures in the province failed to abide by their obligations.

Majority consent in Northern Ireland to any change in its status would be constitutionally guaranteed by the republic in a new agreement.

The majority in Northern Ireland are fully recognised to have a right "to withhold consent for any such change unless and until they are persuaded by democratic political means only, free from coercion and violence".

Negotiations on a political settlement would be only between those "committed exclusively to constitutional methods and not with organisations who use, threaten or support violence for political ends".

Organisations which have "demonstrably expressed their commitment to the democratic process by renouncing violence" would be entitled to a role in negotiations.

Any new agreement would require endorsement by "the people" - an oblique reference to an all-Ireland referendum.

It is thought the document has elements of the peace plans formulated by Mr John Hume, Social Democratic and Labour party leader, and Mr Gerry Adams, Sinn Féin leader.

JOHANSENS

1994 RECOMMENDED HOTEL GUIDES

The finest selection of hotels, inns and country houses to be found in Great Britain and Ireland

ON SALE NOW AT

WATERSTONES, SHERRATT & HUGHES, DILLONS, HATCHARDS, BOOKS ETC. LARGER BRANCHES OF W.H. SMITH AND OTHER GOOD BOOKSHOPS.

Or call the Johansens FREEPHONE line on 0800 269397 to request a FREE copy of our 16 page colour brochure.

DDR/FORMER EAST GERMANY PROPERTY CLAIMS

We are specialists on reclaiming and maximising the values of properties in the former DDR. We have assisted a number of former owners with great success so far. We would now like to offer our services to other legal claim holders to former DDR properties. Please contact:

Euro Property Group Ltd

Alt.: Erik Busch-Christensen, MBA, PMD
Kurfürstendamm 11, D-10719 Berlin
Ph: +49 30 88441805 Fax: +49 30 88441520

Pleas of guilty avoid complex trial after SFO's most demanding investigation

Judge suspends Ramsden sentence

By John Mason,
Law Courts Correspondent

MR TERRY RAMSDEN, former chairman of Glen International and acknowledged "king" of the Japanese warrants market, yesterday pleaded guilty to four charges of fraud at the Old Bailey.

His plea marks the end of most complex prosecution yet brought by the Serious Fraud Office, and avoids a trial most lawyers predicted would be particularly complicated and arduous.

After what the SFO called "constructive discussions" with him, Mr Ramsden admitted four counts of making reckless or false statements to induce investments. He was sentenced to two years imprisonment, suspended for two years.

The complexity of Mr Ramsden's multi-million pound trading in Japanese warrants (long-term options on stocks) and his "back of an envelope" accounting methods had made the case the SFO's most demanding investigation.

Lawyers for the SFO yesterday responded to public criticism of the office by claiming Mr Ramsden's plea demonstrated the effectiveness of its operations. The case had been seen by some as unprosecut-

ble, they said. Mr Jeremy Roberts QC, for the SFO, told the court that Mr Ramsden had a "meteoric" rise in the City through the success of Glen International. However his fall, when the company collapsed in September 1987 owing £100m, was even more meteoric.

Between the end of May 1987 and July that year, he had persuaded banks and securities houses to invest many millions of pounds in his warrant trading "funding circles" which involved a risky and complicated series of transactions. At the time, he knew there was a substantial risk Glen International could not meet its obligations, said Mr Roberts.

Mr Ramsden's problems stemmed from his taking money out of Glen International to finance other activities such as buying racehorses, Mr Roberts said. By taking money out of the profitable parts of his business, he left himself exposed to the large losses he sustained on the volatile warrants market.

His problems became serious when he defaulted on an agreement to buy warrants from Nikko Securities which then stopped acting as a partner in his funding circle. He was then forced to look for other investors.

Among the new investors he

found were the National Commercial Bank of Saudi Arabia and the Japanese securities houses Cosmo Securities and Taiheyo Europe.

He raised a total of £90m from these institutions knowing his company might have problems eventually buying the warrants from them as he had agreed.

Mr Ramsden had not set out to defraud his creditors, but was guilty of criminal recklessness, Mr Roberts said.

"The prosecution say it was quite wrong to obtain new funds without a full and frank disclosure of the mess that Glen International was in," he said.

Passing sentence, Judge Funnell QC said Mr Ramsden had built up an honest and phenomenally successful business of which he could be proud.

"It is all the more sad that by your plea you have had to admit recklessness," he said.

Explaining his decision to suspend the four concurrent two-year jail sentences, the judge said the offence from which Mr Ramsden had admitted would normally result in immediate prison sentences.

However, Mr Ramsden had tried to repay creditors before being declared bankrupt owing



Terry Ramsden outside the Old Bailey yesterday

£25m. He had also had to endure almost six months imprisonment in the "quite appalling" conditions of Terminal Island jail in Los Angeles.

Mr Anthony Arledge QC, for Mr Ramsden, had earlier said the jail had a threatening and violent atmosphere with dangerous gangs operating inside it.

Mr Ramsden, the son of a postman, left school at 18 and began working in the settlements and clearing areas of the Stock Exchange before starting

to trade the foreign stocks, particularly Japanese ones, upon which his reputation grew.

At the height of his success, Mr Ramsden was noted for his lifestyle of conspicuous consumption. The owner of some 80 race horses, he was also killed by the racing press as "the biggest punter in the history of the turf". In 1985 alone, his gambling losses were said to total £26m.

Yesterday he left the Old Bailey saying: "I have had a very difficult time in my life. I am glad it is all over."

Prison officers to challenge dispute ruling

By Richard Donkin,
Labour Staff

PRISON OFFICERS yesterday decided to challenge Thursday's High Court judgment that they had no right to take industrial action.

The challenge comes as the Prison Officers' Association faces removal from the government's list of trade unions.

The association yesterday wrote to its members telling them to comply with the court's instruction to call off three days of industrial action planned for next week.

Mr John Bartell, its chairman, said the association planned legal action to overturn the court ruling. "We will go to trial over this issue. The court decision will lead to more chaos and disruption in the prison service than our industrial action would ever have done."

The Trades Union Congress said it was seeking an urgent meeting with leaders of the 30,000-member association, whose leaders said they intended to "step back and let the government sort out the chaos".

The government stressed it had not intended to remove union rights from prison officers. The Home Office said: "Matters could not be left as

they are. We want to move quickly to restore their rights under employment laws."

The judgment may raise human rights questions for the government, which has already been forced to reconsider its stance on union membership at GCHQ.

The association had planned not to accept prisoners brought by the police or Group 4, the private security company, from Monday, in a protest over privatisation and prison overcrowding.

Mr Justice May, in granting the injunction, accepted the government's arguments that because prison officers hold the office of constables they are not protected under employment law if they take industrial action that breaches their contracts.

Mr Michael Howard, home secretary, said many questions needed to be resolved to put industrial relations in the prison service, including relations with the association, on a proper footing. There was a need to extend to prison officers "the appropriate elements of employment protection legislation which they do not currently enjoy, including access to industrial tribunals; and to provide arrangements by which prison officers' remuneration can be settled".

Howard yields on Sunday trading

By Neil Buckley

THE GOVERNMENT yesterday moved to rescind its Sunday Trading bill by bowing to pressure to extend employee protection against being forced to work on Sundays.

The extension of protection to future shopworkers, as well as those already in employment, was a significant climb-down - Mr Michael Howard, home secretary, had repeatedly refused campaign groups' demands for protection to be extended.

It also increases the chance that confusion surrounding Sunday opening in England and Wales will be resolved this year. Mr Peter Lloyd, home office minister, said MPs would be given a free vote "well before Christmas" on the bill's three options for reform. Campaign groups and MPs had warned that the government's previous stance on worker protection threatened to derail the bill by ensuring that none of the options would attract enough support from MPs to gain an overall majority.

"It became clear that for a great many people an essential ingredient of an acceptable and satisfactory resolution of this matter involved a degree of protection not just for existing workers but for future workers," Mr Lloyd said.

The bill prohibits shopworkers in England and Wales from being dismissed or unfairly treated - for example by refusal of training or promotion - for refusing to work on Sundays. It also extends protection from shopfloor workers to "all workers in or about a shop".

The government's move came two days after the decision by the Keep Sunday Special Campaign and Retailers for Shops Act Reform - which support strict regulation of Sunday trading - to combine their two options into one.

But it may benefit the two de-regulation options the most. Many Labour and backbench Conservative MPs are thought to have been swayed by constituents' support for Sunday opening and working, but were not prepared to vote for de-regulation without future worker protection.

Campaign groups welcomed the decision, but the KSSC said it would continue its campaign for statutory double-time payments for Sunday working. Usdaw, the shopworkers' union, which recently switched allegiance from KSSC to the Shopping Hours Reform Council, which supports partial de-regulation, is also pressing for double-time pay.

Mr Lloyd warned that the government would "certainly whip against" any amendment proposing premium payments for Sunday working, which would discriminate unfairly against small shops.

The date tipped for the bill's second reading, when MPs will vote on the principle of reforming the 1950 Shops Act, is November 29, with the options vote expected on December 8 or 13.

The options, in the order they appear in the bill, are:
● Total de-regulation.
● Strict regulation, prohibiting large shops from opening except four Sundays before Christmas, but allowing DIY and garden centres and some small shops to open.
● Partial de-regulation, allowing small shops to open at will, but restricting large shops to six hours.

Amec deal averts Tyneside strike

A COMPROMISE deal between Amec Offshore and officials of the GMBU general union and the AEEU engineers and electricians union yesterday averted an indefinite all-out strike at the Tyneside offshore fabrication company, - Charles Tighe writes.

The threatened strike by the 900 manual workers was over company plans to make the night shift work seven hours a week longer without extra pay.

An overtime ban has also been called off. Under the compromise the night shift will work an extra four hours. All employees will receive a one-off compensation payment and night-shift workers will receive extra payments until June.

Attack on NHS bureaucracy

TOO MANY managers' jobs have been created under the government's health service reforms, Mr Ivan Lester, retiring chairman of Harrogate Health Care Trust, said yesterday.

He told BBC Radio: "We have put extra layers of bureaucracy, of management, in and we actually don't know if we are getting any more health care out of this so-called market."

Sir Duncan Nichol, health service chief executive said: "I believe we should not be talking about the bureaucratic overhead here, we should be talking about the benefits that management have brought to the health service."

Shipyard wins Nato contract

A & P Appledore's shipyard at Falmouth, Cornwall, has won the contract to refit Nato's research vessel Alliance, which is used to detect and track submarines.

The Italian-based vessel is to get new acoustic and oceanographic equipment, including an advanced undersea mapping system. It is the only craft jointly owned by all 16 Nato members.

Ford pay deal

WORKERS at Ford have voted overwhelmingly to accept the company's offer of a 2.5 per cent rise this year followed by 3.5 per cent next. Only the Dagenham assembly plant voted against.

Bank action vote

STAFF AT the Moscow Narodny Bank are to be balloted on strike action by the finance union, Bifi, which has rejected a pay freeze.

Opera contest

AN INTERNATIONAL design competition has been launched for the proposed £23m opera house at Cardiff Bay to stage productions by Welsh National Opera.

The fat worker and other tales of union life

David Goodhart laments the loss after 142 years of the AEEU craft union's shopfloor vignettes

WILL THE 20 assemblers win equal pay with the seven people in the wire tag section who earn 90p an hour more at Potteryton the boiler-makers? Will the workers at the Morris Singer Foundry in Basingstoke continue to resist compulsory redundancies by working short time instead?

Also, we may never know the outcome of these everyday tales of shopfloor negotiations in British manufacturing. For the monthly business reports of the regional officials of the AEEU craft union, where they are painstakingly recorded, have been published for the last time.

Since 1851 the reports have been a barometer of the shop-

floor mood, capturing in a few short sentences the officials' six or seven most important meetings of the month with employers, members and shop stewards.

The reports, which appear under unflattering passport pictures of the 30 officials, now bear a strong whiff of the 1930s but the issues that arise most often - regarding differential disputes, selection for redundancy - are still the bread and butter of manufacturing labour relations.

The following report from Mr Dave Gough, north-west, about Ford, is typical: "Met senior management and shop stewards concerned about company intention to temporarily trans-

fer eight craftsmen to production line without agreement. Although no loss of pay, members are worried about loss of status and the creation of a precedent for the future."

The tone is not always belligerent. Mr Denis O'Flynn of the AEEU Foundry Division writes about TRW Valves of Wednesday: "The company would not be moved from its intended action of curtailing the role of the convenor. A tour around the factory proved to be both interesting and educational. My thanks to the management for the opportunity to see some innovative ideas in action."

But organised labour is not always a push-over, as Mr John Hodgkins from the South

West reports about Aerostructures in Hamble. "The management insisted on going ahead with three dismissals. Arrangements were made for a mass meeting with a recommendation for a ballot for strike action. The management found alternative work for our members before the meeting took place."

Mr Alistair Hatfield of Incomes Data Services, the pay analysts, regrets the passing of the reports. "They are an irreplaceable primary source for what is actually happening in manufacturing and a far better guide than all the academic research which says that British industrial relations is totally transformed," he says.

The reports have been useful for spotting manufacturing-wide trends. The last issue, for example, shows a cautious increase in pay militancy with about 10 bargaining groups deciding to reject "final" pay offers from companies and opting for strike ballots. That is a markedly higher number than in previous months.

Also, big companies which claim entirely to have decentralised pay bargaining to individual plants, but still operate *de facto* central control, can be caught out by a flick through the regional reports which show the same offer being made everywhere.

There are plenty of industrial curiosities in the last

issue. Such as the man at NEI Clark Chapman who was suspended for being overweight, or the dispute at Valor Heating when workers had part of their pay docked when work was disrupted by a bomb scare.

The reports, like the union, are old-fashioned but rooted in the labour movement's 19th century traditions of democracy and accountability. "The trouble is they no longer fit," says one AEEU official as the union replaces the monthly journal with a slick new quarterly magazine sent to every member. But this will be a poor substitute for keen students of labour relations in British manufacturing.



A Customs officer inspects a haul of 200kg of heroin - believed to be the biggest seized in the UK. The drug was found in a lorry which was examined by police at a motorway service area on the M1 yesterday. Customs said later that a man had been charged with illegally importing heroin

British Coal adds fifth pit to proposed closures

By Michael Smith

BRITISH COAL wants to shut its Silverdale pit in Staffordshire, taking to five the number of collieries where closure has been proposed.

Litlington, in Staffordshire, may become the sixth on Monday when management meets union leaders at the pit.

Production at Silverdale will end on December 3 if miners decide not to fight the closure. British Coal told local union leaders the pit had lost £5.7m in the past six months.

Financial and market pressures had forced the closure proposal, it said. British Coal, which operates 30 pits including the five named for closure, said it will make every effort to transfer miners to other pits but admitted there would only be "limited opportunities".

Silverdale was one of 12 pits reprieved in a white paper in March and has been "market

tested" in recent months to try to find new sales.

The pit was sunk more than 100 years ago as an iron ore mine before coal reserves were discovered. It produces about 1m tonnes of coal a year and is one of the last remaining collieries linked to a pit village.

The announcement came as miners in Calderton, Nottinghamshire, worked their final shift after voting to accept closure.

British Coal and the National Rivers Authority, the river pollution watchdog, have agreed a framework for dealing with the ending of water pumping at pits that face closure and the consequent threat of mine water pollution, Chris Tighe writes.

The authority said yesterday that under a new memorandum of understanding signed this week it will be fully informed by British Coal before any pumping operations cease and given the data

needed to predict future consequences. The agreement between the two bodies covers all future pit closures in England and Wales.

Mr Malcolm Colley, technical manager for the authority in its Northumbria and Yorkshire region, said the agreement could mean that should a pit close very suddenly, British Coal would have to continue pumping for some time afterwards. This would ensure a phased withdrawal and allow time for action to prevent mine water contaminated with metals from polluting streams and rivers.

Anxiety over the threat of mine water pollution has been sparked by the rapid recent closure of collieries. The authority had expressed concern that it was not always informed in advance by British Coal when pumping was to cease, and had warned it would consider legal action should the environment be at risk.

Lloyd's agents pessimistic about Merrett Group's survival

By Richard Lapper

LOYD'S agents were pessimistic yesterday about the survival prospects of the Merrett Group, which owns one of the largest markets and administers two of its biggest syndicates.

Merrett was hit this week by the withdrawal of a US plan which would have compensated for a sharp fall in the number of Names - the individuals whose assets support Lloyd's - prepared to back the agency's syndicates.

Efforts to drum up support from members' agents, which allocate Names to syndicates, appear to have been unsuccessful. One members' agent said that Merrett's biggest syndicate, number 418, needed a minimum of £50m of capacity (capital supporting underwriting) from Names to survive.

But by yesterday morning only between £32m and £33m had been secured. "I don't think it

will fly," said the agent. "I just can't sell the syndicate to Names."

Without more support it appears that the syndicate will not be big enough to accept a "reinsurance to close" - an arrangement used by Lloyd's syndicates through which outstanding liabilities are transferred from one year of account to the next.

If this occurred, 418 would be forced to stop accepting new business in 1994 and would be likely to leave the accounts of its 1981, 1982, and 1983 years "open" - because of uncertainty about the scale of future claims.

The same fate could also be in store for syndicate 1067, which has also suffered a decline in backing from agents.

This is a crisis for the Merrett Group that would have seemed inconceivable in 1988 when 418 had 7,887 Names, a capacity of £235m - and was regarded as a flagship for the Lloyd's market. Traditionally

specialising in marine insurance and areas such as war risks, Mr Stephen Merrett, underwriter and chairman of the group, had spearheaded diversification into one of the most rapidly growing areas of the international market - US legal liabilities ranging from pollution and workers' compensation to the professional indemnity risks of accountants and company directors.

The syndicate became an important market for US brokers such as Marsh & McLennan, leading giant coverages for US corporate buyers.

In the US Mr Merrett won a reputation as a leading international specialist on issues such as environmental liability. At Lloyd's, although he was never a popular figure, Mr Merrett won a reputation as a tough and knowledgeable underwriter.

Earlier this year Mr Merrett became deputy chairman of the market, but his reputation had already been damaged as the scale of losses suffered by 418 in 1988 on a series of large US reinsurance contracts became clear.

In one of the biggest legal actions at the market, 2,000 Names are claiming about

£350m in actions against their agents and Mr Merrett.

The management of the Merrett agency has also come under fire because of delays in the reporting of 418's 1990 losses - which amount to about £87.3m compared with capacity of £212.5m.

Bad publicity, much of it stemming from the legal action, has made matters worse. In August, following intense pressure from senior figures at Lloyd's, Mr Merrett resigned as deputy chairman.

Agents are playing down the potential impact on the market as a whole. They are confident, for example, that other Lloyd's agencies will take over administration of the three remaining syndicates and say much of the business now led by 418 and 1067 could be picked up by rival syndicates at Lloyd's. Following the successful attraction of corporate investors, many syndicates are now relatively flush with capital for the first time for three years.

"I know it can't do the market any good to lose the name of Merrett," said one members' agent. "But brokers will simply place the business elsewhere."

Several thousand Names would pick up the bill for "running off" the syndicates (paying and administering claims on existing policies). Here too, though, agents are optimistic that the extra costs would be limited. Both 418 and 1067 are currently expected to make profits in 1991 and 1992, and agents suggest that the Lloyd's Corporation - which regulates and administers the market - may conduct the "run-off" of

418 and 1067's "open years" between 1990 and 1993.

The biggest loser would be the Merrett Group itself. The loss of income from its two biggest syndicates would stretch the resources of the agency and raise questions about its capacity to manage its three other syndicates - 179, 332 and 1184 - as well as about the future of the group as a whole.

As for Mr Merrett, the affair completes a disastrous year. Earlier this week Mr Bob Clamen, the president of Marsh & McLennan Companies, and one of the most influential figures in the US insurance industry, offered a vote of confidence, when he described much recent criticism of Mr Merrett as "personalised" and "without regard to fundamentals".

It is evidently a view that many Names and some of their agents do not share. "Like Thatcher or Gorbachev, Mr Merrett is lauded overseas but not in his country of origin," said one agent.

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Saturday November 20 1993

Climbing out of the hole

THE BRITISH government is in better shape at the start of the new parliamentary session than it was at the conclusion of the old. The Conservative party appears to be in a less fractious mood now that the Maastricht treaty is behind it. Tories should be able to unite behind the items outlined in the Queen's speech on Thursday. The prime minister, who at the end of the summer was left hanging by his fingernails over a chasm, has begun a long climb towards safer ground. His bold initiative on Northern Ireland might just restore his reputation, at least as a skilled negotiator.

Meanwhile the economic recovery is leading its political counterpart, at about the optimum pace. The rate of return to growth is sufficient to provide hope, but not too rapid to constitute overheating. This should best suit the government as it prepares for Budget day on Tuesday week.

Encouraging
It must have been hoping for signs of increased activity encouraging enough to allow the chancellor to raise taxes without appearing to risk choking off recovery, and yet not so strong that an offsetting interest rate cut is ruled out.

To judge by the past week, things are turning out just right: the economy is indeed growing, but only modestly. Output rose by 0.5 per cent in the third quarter and at an annual rate of 1.9 per cent. Broad money growth accelerated in October.

An unexpectedly large seasonally adjusted 49,000 fall in unemployment last month brings the total decrease this year to 137,000. A batch of encouraging, if statistically unreliable, trade figures suggested this week that the government may be getting the kind of export-led recovery that Britain needs. The overall trade deficit in August fell to its lowest monthly total for 6½ years. More reliable was yesterday's news that the deficit with countries outside the European Union fell to £23m in October from £21m in September, while the value of exports rose by 8.8 per cent.

Yet the improvement in the balance of trade is partly the result, of low retail demand. The value of imports from non-EC countries fell 3.5 per cent, while total retail sales volumes rose in October by a mere 0.1 per cent to stand 3.3 per cent higher than a year ago. This is the lowest year-on-year rate of growth for five months. Price competition is intense. The fall in unemployment disguises a still rather depressed labour market with employment growth effectively flat while wage inflation is low and falling. Meanwhile the retail prices index fell 0.1 per cent in October, cutting the annual rate of

inflation to 1.4 per cent. In short, Mr Major has a sufficiently modest recovery to justify a further interest rate cut. Whether he will get the kind of accelerating recovery he needs over the coming two years remains in doubt, given the fact that still indebted consumers will be facing a rising tax burden between now and the next election, while the ability of UK exporters to grab market share as growth in Europe revives is, as yet, untested.

On the political front his own slogan, "back to basics", remains very much under test. Conservative party workers and, perhaps, backbench MPs have shown signs of rallying round, but the broader electorate remains sceptical. Insofar as "back to basics" means anything, its application to the legislation announced in the Queen's speech is questionable. A harsher law-and-order regime is, at best, an incomplete answer to the challenge of rising crime. A new quango for teacher training is an inadequate response to the challenge laid down on Monday by Sir Claus Moser's freelance national commission on education, which argued forcefully that the development of knowledge-based industries requires an intensified educational programme.

The rest of the Queen's speech is a rag-bag, containing proposals chosen for their acceptability by potential Tory rebels. What is left of the coal industry is to be privatised, but the government has declined to apply the same principle to London's buses.

It is leaving Sunday trading to a free vote - which, it must be hoped, comes down in favour of maximum deregulation - and dodging the promise of a new environmental agency by passing a "paving" bill, allowing officials to prepare the way. The umpteenth local government bill since 1979 will restructure councils in Wales and Scotland.

Verified
If the overall programme is uninspiring, Mr Major's courageous assumption of personal responsibility for Northern Ireland this week is wholly to his credit. In spite of his administration's occasional dependence on Unionist votes he has put the more recalcitrant of them on notice that if they decline to take part in peace talks they will be left out. He has offered Sinn Féin a place at the table in return for a verified end to IRA violence. He is working, with Dublin, towards an overall political settlement. If the Ulster parties fail to agree on new structures, he has intimated on Thursday, he will produce proposals of his own. History suggests that the odds are against success, but the prime minister is right to try.

As the chancellor, Mr Kenneth Clarke, struggles with the first Budget, there is growing speculation that he will resort to a well-tried soft option on November 30: milking the pension funds. Yet the wider costs of following his predecessors, Lord Lawson and Mr Norman Lamont, down this tempting road are worrying, because Britain's pension funds are heading for a financing crisis.

For once, the powerful pensions lobby, bending politicians' ears before the Budget, may have a point. Another raid on the occupational pension schemes' £350bn nest egg might be the last straw for many companies that are finding final pay-related pension liabilities increasingly onerous.

The incipient funding crisis in pensions is not just a British concern but affects public and private sectors in most developed countries. It stems from the demographic strains that arise from an ageing population and the impact of disinflation on government finances and on the value of pension fund assets and liabilities.

Smaller working populations are having to meet the cost of sustaining larger retired populations. And in the public sector these costs are harder to meet without the help of high rates of inflation, which until recently provided a prop to government revenues.

In Britain the demographic pressure is less than in most of the OECD area. The problems of disinflation, though real in other areas of public spending, have largely been defused in the state pension scheme by a decision in the early 1980s to stop uprating the basic state pension in line with earnings. It is now uprated in line with prices, which rise more slowly. But the private sector has not had the benefit of any comparable change in the rules to offset the damage to its finances from falling inflation. Rather, the rules have been made tougher.

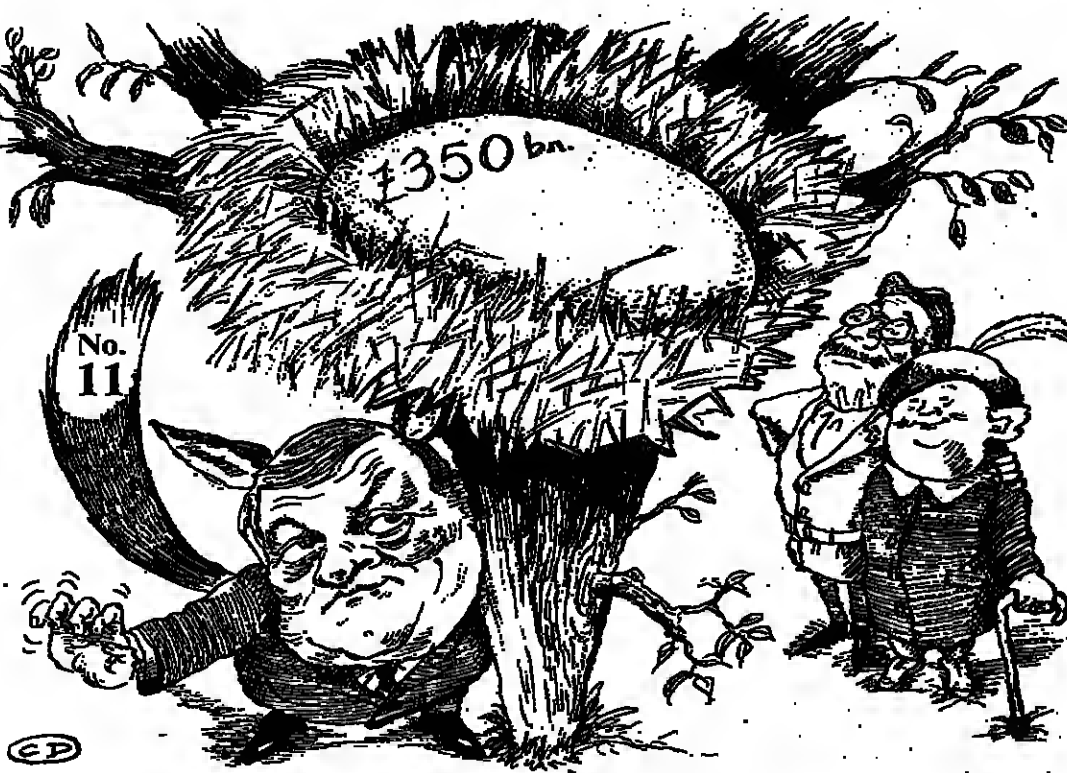
In the 1970s and 1980s, private occupational pension schemes promised to pay pensions worth up to two-thirds of final pay. Yet in practice only a minority - those who stayed with the same employer for most of their career - received what they thought they had been promised. The system depended on an elaborate web of implicit cross-subsidies. It was easy to give high retirement incomes to long-stayers because occupational schemes were delivered to pensions that were falling in real terms while the deferred pension liabilities of employees who were made redundant, or who left voluntarily, were shrinking fast thanks to inflation.

For much of the 1980s the cost of meeting pension liabilities was further reduced by exceptionally high investment returns. Employers took contribution holidays as the surpluses of assets over liabilities mounted. This picture has now changed markedly. In response to widespread disillusionment over inequitable cross-subsidies, the government introduced regulations between 1986 and 1990 that required pension schemes to increase deferred pension rights and pensions being paid in line with inflation, up to a maximum of 5 per cent. With the latest recorded year-on-year increase in retail price inflation at 2.8 per cent, a 26-year low, the cross-subsidies have clearly been wiped out. It follows that companies have to pay more to meet a given pension promise.

The government has also made a

Will the UK government risk a pensions crisis by raiding occupational schemes in the Budget, asks John Plender

Beady eye on their nest egg



number of cuts in the tax privileges enjoyed by pension funds. Lord Lawson, who refers disparagingly in his memoirs to "the middle-class welfare state", tried but failed to remove the anomalous tax relief on lump sum payments on retirement because of pressure from the pensions lobby. He responded to this rebuff by seeking to tax pension funds by the back door, starting, in 1986, by imposing a statutory limit on the size of temporarily bloated pension fund surpluses.

This delighted company finance directors by encouraging them to claw back pension fund surpluses into profits through pension fund holidays. But the result is that pension fund finances have been greatly weakened. Actuarial surpluses have been run down, just as dividend income has come under pressure and the inflation subsidy has disappeared.

Lawson's move also reduced the

incentive for companies to run occupational pension schemes since it made them a less attractive tax shelter. The scope for smoothing profits and tax liabilities has been reduced. And subsequent tax changes, such as the cap imposed in 1989 on the amount of pension that qualifies for tax relief and the reduction of the tax credit on dividends, have increased the distortions in the system for taxing savings.

One final problem for companies is that a majority of pension funds are now mature, in the sense that they are paying out most of the income from contributions and dividends in the form of pensions. As Penny Webster, a partner in consulting actuaries Bacon & Woodrow points out, most actuaries feel obliged to advise pension fund trustees to adopt a lower risk approach to investment, which is heralding a shift from equities towards gilts and thus lower investment returns. This is to ensure

greater protection for benefits that no longer enjoy the cushion of a big surplus of cash flow over outgoings. In Britain, actuarial practice does not lead to disinflationary scare stories of the kind that afflict the General Motors pension fund in the US, where each one percentage point fall in bond yields has added \$50m-\$60m to pension liabilities. But some actuaries claim that there is now a shift towards more pessimistic valuation assumptions. And there is controversy over whether the trend would be more pronounced if the government introduced new minimum solvency requirements. In response to the Goode committee report on pension law reform.

While actuarial assumptions cannot affect the ultimate cost of pensions, they do affect corporate cash flow in the short and medium term. Knowing that a prudent increase in contributions today may be compensated for by lower contributions later is no consolation to employers

now emerging from recession. The result is that few, if any, defined benefit (final pay-related) pension schemes are being set up. Company finance directors are, says consulting actuary Mr Bryan Davies, "addicted" to pension fund holidays and reluctant to contemplate pumping company cash back into pension funds.

It is at this point that Mr Clarke makes his Budget debut. It seems unlikely that his chief interest will lie in enhancing the coherence of the pension system or injecting logic into the ramshackle arrangements for the taxation of savings. His priorities will be financial; and there are many who want to help him effect a swift and sizeable transfer of cash from the pension funds to the exchequer.

Former economic secretary to the Treasury, Mr John Maples, suggests removing tax relief on pension contributions while making pension payments exempt from tax. This would be worth £7bn a year to the exchequer on the basis of a 25 per cent tax charge. Alternatively, Mr Clarke could further restrict the tax credit on dividends received by pension funds. Or he could remove the upper rate tax relief on contributions. Or, again, he could remove the lump sum relief on retirement.

The Maples proposal is more complex than it appears, because of the inter-relationship between private occupational pension schemes and the state earnings-related pension scheme (Serps). Changing the tax arrangements for private sector schemes would involve making changes to Serps, part of whose cost is met by the private system via guaranteed minimum pensions.

The administrative problems of such a change for the private sector alone would be considerable. Employers would have to run parallel systems for existing and for new employees. Given that some beneficiaries will live into their nineties, this absurdity could last for 70-odd years. Since funds for existing pension scheme members would have to be closed, an actuarial valuation would need to be carried out on a so-called "discontinuation" basis, which is more cautious than a long-term valuation for an ongoing fund. This would almost certainly lead to a requirement for increased contributions from companies. Other tax changes might also add to the "discontinuation" for employers to continue with final pay-related pension schemes.

The disturbing point is that the government is undermining the incentives for private pension provision via companies just when the move to private provision in the state system is ensuring that the state's pension safety net in the 21st century will be widely inadequate. The alternatives, favoured more by right-wing ministers - personal pensions - cannot provide an adequate alternative because the cost of personal pensions is prohibitive for the lower paid.

If the government continues to run down the state system, while companies become increasingly disillusioned with final pay schemes, the least bad option may be one advocated by the social security select committee chairman, Labour's Mr Frank Field - company-run defined contribution (money purchase) schemes, where the investment risk falls entirely on the pension scheme member. But with tax incentives dwindling, no shortage of labour and constant pressure in capital markets for enhanced profits, employers may not bother.

PLANNING TO COUNTER THE BUDGET CRUNCH

Financial advisers have in recent weeks noticed a strong surge in interest in pension planning ahead of the Budget in 11 days. But they are urging caution against hasty action, writes Andrew Jack.

If Mr Kenneth Clarke, the chancellor, announces immediate changes to tax relief on pensions, it may be worthwhile to accelerate pension contributions before the changes come into effect - which could be from December 1,

the day after the Budget.

Topping up pensions could help if Mr Clarke reduces tax relief on pension contributions, which is currently available at the higher rate up to certain limits.

If this option were adopted - in line with declining limits on other concessions, such as tax relief on mortgage interest - it could be worthwhile to accelerate pension payments before the Budget. But this would be most beneficial only if any changes were

effective immediately.

The risk is that the chancellor could also increase the upper rate of income tax. Anyone liable for tax at the higher rate who had made accelerated pension payments would then be unable to take advantage of relief at the higher level. However, there is a danger that any hasty action to effect or change a pension plan could trigger administrative costs and might lock people into an undesirable option.

MAN IN THE NEWS: F W de Klerk

Act of faith on history's stage

History draws a fine line between the visionary leader and the dreamer: both have visions, but only one succeeds in making his dreams come true.

Mr F W de Klerk of South Africa may this week have made the fatal mistake which separates the one from the other, when he decided - against all the odds and against the principles which he had so long espoused - to hand over white power and accept majority rule.

It was one of the more extraordinary reversals in the history of nations, which provides few examples of men who abdicate power without being forced to do so. And it was certainly over Mr de Klerk's intention: not when he acted on his initial vision of a peaceful multiracial South Africa, and released Mr Nelson Mandela from prison nearly four years ago; and not when, during the violence and anarchy that have followed, he refused better deals than the one he has now accepted.

The deal he has signed will give him a place in a multiparty government of national unity, and an unenforceable commitment from Mr Nelson Mandela, likely to be the next president, that his views will not be ignored in cabinet. But Mr Mandela let there be no mistake about his intentions: he will try to obtain Mr de Klerk's assent for government action; but where he cannot, he will proceed nonetheless. The majority will rule, and the minority will have no constitutional power to stop it. Power will be shared, but only so long as it suits Mr Mandela to share it.

Government spokesman Dave Steward speaks of the "deep underlying symbiotic relationship" which underpins power-sharing; but it is

hard to see that happy relationship surviving long under the strains of cohabitation.

Yet Mr de Klerk did not set out to bargain away white power: his supporters did not elect him to do so; those who voted resoundingly for him in last year's white referendum were promised a different outcome.

He set out, ironically, to avoid the fate of the white minority regime in Rhodesia, which waited to negotiate until it had fallen from strength, and was left with an ineffectual 20-seat bloc in a 100-seat national assembly, under black majority rule. The plan was for the South African government - which had never lost a liberation war and had successfully crushed dissent before opening negotiations - to negotiate from strength to guarantee the best future deal for whites.

This was supposed to include entrenched powers for minority parties in cabinet, including what amounted to a veto for Mr de Klerk's National Party on important issues; and autonomy for regional governments, to provide a check on central government power. Until recently, the National Party was not interested in the argument that conventions of multiracial power-sharing would develop over time; it argued that whites' fear of majority rule would make them reject a constitution which embodied it.

All that has changed: government negotiators insist the constitution lays the basis for a "convention" of power-sharing, and that Mr Mandela has accepted a gentleman's agreement to respect it. But minorities have neither a veto in cabinet, nor any blocking power; they could walk out of cabinet, but this would not bring down the government. Moreover, the constitution fails to entrench powerful regional govern-



ment, which was another National Party demand.

It is a measure of Mr de Klerk's image as a shrewd politician who skillfully fights his corner that many observers assume not that the president has conceded defeat, but that he has a trick up his sleeve which will deliver real power into his hands in the end.

That may yet be true: for Mr de Klerk seems genuinely to believe the ANC cannot - and will not try - to rule without the National Party. He is gambling on the fact that his party's power in fact will far exceed that in law. That power, say government negotiators, is based on the party's strength in the civil service and security forces (packed with Afrikaners since 1948), the economic clout of whites, the favour of the international community (which Mr de Klerk sees as his ally) and the votes of the National Party electorate.

His negotiators now argue (albeit belatedly) that constitutional guar-

antees are worth nothing unless the party proves it is indispensable to the country's new rulers: that restoring stability, the ANC's chief short-term goal, cannot be achieved without security force co-operation, which only the National party can deliver.

But Mr de Klerk does not intend simply to play the role of what political analyst Steven Friedman, director of the Centre for Policy Studies, calls "gate keeper to white confidence". Mr de Klerk believes a "silent majority" of black, coloured and Indian voters will flock to the NP from the ANC - whether in response to spiralling violence, or because coloureds and Indians will reject the ANC as an African party, or because other Africans fear the prominence of the Xhosa tribe in the ANC leadership.

Only next year's election will tell whether Mr de Klerk imagines votes where they do not exist, and sees powerful backers where none are present. Recent opinion polls have given the NP 11 to 13 per cent of the national vote, and though this is almost certainly understated, the constitution agreed this week will do little to bolster his white support. Dissent over the constitution could yet split the party, with hardline ministers furious at the deal.

Mr de Klerk's act of faith in his electoral support may pay off. If it does, it will indeed guarantee his party, and the Afrikaner nation which he set out to protect, a more secure long-term future than the minimum entrenched powers available from the ANC. But the risks are enormous. If he is wrong, Mr de Klerk could end up forfeiting all effective minority power, and being branded a traitor by his own people (many of whom already name him so). It would be a tragic irony if the man who had the courage to end apartheid should do no more than exchange one form of racial domination for another, and be forced off the stage of history at what ought to have been his greatest hour.

Patti Waldmeir

Screen Finance



FINANCIAL TIMES

LONDON PARIS FRANKFURT NEW YORK TOKYO

NEWSLETTERS

Screen Finance is the authoritative newsletter on the film, television and video industries throughout Europe. Published twice-monthly by Financial Times Newsletters, Screen Finance has established a reputation for in-depth, accurate and often exclusive reporting. It has been designed to provide industry specialists with up-to-the-minute news and analysis on the financing, production, distribution and showing of feature films, major television programmes and videos worldwide.

Whatever your involvement in the film, television and video industries, Screen Finance will keep you in the picture. We believe you will find it an indispensable aid to your business.

For further details and a FREE sample copy please contact:

Caroline Skirrow,
Financial Times Newsletters,
126 Jermyn St,
London, SW1Y 4UJ, UK.
Tel: +44 (0)71 411 4414.
Fax: +44 (0)71 411 4415.

(AVAILABLE ONLY ON SUBSCRIPTION)

Different time, different place

Jurek Martin on the contrasts between JFK and WJC



Kennedy mantle: a teenage Bill Clinton shaking hands with J F Kennedy on the White House lawn in July 1963

The man at the centre was a gifted professional politician reacting to events he often neither foresaw nor understood, handling some well, others badly, but always ready with a plausible explanation. He was intelligent, detached, curious, candid if not always honest, and he was careless and dangerously disorganised.

He was also in his mid-40s, partly educated in Britain, married, a Democrat and president of the United States. Just about every word quoted above could be applied to the current inhabitant of the White House, Bill Clinton.

Of course, they do not. They are an extract from Richard Reeves' assessment of the character of John Fitzgerald Kennedy. But as the world relives, through written words and television programmes beyond number, what it was doing on November 22 1963, when he was assassinated in Dallas, comparisons between the second and third youngest presidents this century cannot be avoided.

Kennedy and Clinton did once meet. On July 24 1963, the 17-year-old from Arkansas, representing a youth group, shook hands with the president on the White House lawn, a moment captured on film for the Kennedy archives and shown to wild applause at last year's Democratic party convention. This was no accident, for the Kennedy mantle is one which every aspiring young Democratic politician has sought to put on.

America had changed much since then, for good (civil rights), for ill (the rising tide of violence), and for even more in between. What Richard Reeves has done, in his riveting *President Kennedy: Profile of Power*, is to provide all the benchmarks that make political comparisons possible. He writes not of

JFK's rise, nor of his death, but only about his term in office. The subject of sex is not skimped but nor is it exaggerated.

If additional testimony for this exceptional book were needed, Bill Clinton (henceforth, WJC) devoured it and promptly had the author round to a White House lunch. Their conversation, reported Mr Reeves, was all about them and now. "His identification with Kennedy is quite close," he added.

Style and background apart, similarities and differences leap out of every page. Both relied on those nearest and usually dearest - JFK on his brother, Robert, whom he made attorney-general, WJC on his wife Hillary, an ex-officio member of the government in most things and a policy maker on healthcare. JFK hardly knew most of his first Cabinet, though it contained some illustrious names (McNamara, Dillon, Heller) while the extensive WJC network produced most of his from relative obscurity.

JFK came to office with little interest in domestic affairs. The only such reference in his 1961 inaugural address were the words "at home". Assured at the last moment by a young aide, Harris Wofford (now the senator from Pennsylvania), his principal concern about the civil rights "freedom riders" of his first year was the harm they - and less their repressors - might do to America's image overseas. Early on, he avoided meeting black leaders.

WJC, always at ease in the company of minorities, has the self-defined mission to set America right at home, a theme JFK never really

picked up until his third State of the Union message, mostly for electoral reasons. Still, his language then was very much a harbinger of what WJC says today.

JFK, who never pretended to be an economist but surrounded himself with Nobel Laureates-in-the-making, believed taxes should be cut. WJC, with at least applied knowledge of the field but no lower-

ing intellects on board, has come to a partly different conclusion. JFK muscled big steel into rescinding a price increase, WJC took on big labour over Nafta. Both got important trade legislation passed, though in JFK's days it was the Japanese who were complaining about the US bilateral trade surplus. Both had indifferent first years in

the foreign policy arena. JFK's crosses, mostly self-inflicted, were the Bay of Pigs invasion of Cuba, a disastrous first summit with Khrushchev in Vienna ("worst thing of my life; he savaged me" was his own verdict), and the fateful first steps into the Indochina quagmire. Only avoidance of outright conflict with the Soviet Union over the building of the Berlin Wall

was a mitigating factor, but, in 1962, the fear of annihilation by nuclear war was real.

WJC may have inherited Bosnia, Somalia and Haiti, but he has solved none of them and Europe has as many misgivings about him as Harold MacMillan and Charles de Gaulle initially had about JFK. Nor does he have JFK's perennial, but accepted, excuse of the need to fight communism. Perhaps Cuba, with Castro near the end of his reign, will give him a victory, much as it did JFK in the shape of the 1962 missile crisis. WJC can only hope that the irrational Kims of North Korea do not fire off a bomb.

JFK had fewer external constraints than WJC. He could order assassinations which worked (Vietnam's Diem) and did not (Castro), interfere in Africa and tell off President Sukarno of Indonesia when he presented a non-aligned report JFK did not like. The US may be the only remaining superpower, but the CIA's hands are pretty much tied and WJC's inclinations to order foreign leaders around are less evident, poor Mr Kichii Miyazawa of Japan excepted.

Congress was a blight to both, in spite of nearly identical Democratic majorities. JFK's biggest problem was with conservative southerners, committee chairmen who simply sat on any legislation they did not like, especially on civil rights. WJC has a moveable feast of an opposition depending on the issue, though his first-year record with Congress, especially after this week's Nafta triumph, is much more substantive than JFK's.

In no areas are the differences more marked than in their relation-

ships with the media, even though both knew how to use television and both professed to enjoy the company of journalists. JFK was ruthless. He socialised heavily with the Washington big shots - Krock, Bradley, Bartlett, Reston. They responded by drawing a veil not only over his sexual affairs but also over his health, which often left him a near-cripple. But he thought nothing of ordering stories to be pulled from the New York Times nor of bugging the media. And inexorably, to quote Richard Reeves, he directed "their attention away from the edges of government to the very centre" - himself.

More than that, TV transmission 30 years ago was neither instant nor ubiquitous. It could take days for bad news to come through from Indochina or Berlin, giving JFK precious time. Today WJC may hear about crises first from CNN. He cannot even get a haircut, let alone go to the doctor or dine out, without it being reported. And if he dared to lean on a newspaper reporter's phone, there would be an unholy row. Yet he cannot reverse, much as he might like to, the focus JFK brought to the centre.

Next week the Clintons, a hospitable if serious couple, will hold their first formal state banquet, for the South Korean president Mr Kim Young-sam. By November 1991, Washington was already Camelot, a city where charm, brains and power were the indivisible triumvirate. But it was a different capital of a different country at a different time. Only the political common denominator remains. The two presidents might not want it otherwise.

President Kennedy: Profile of Power by Richard Reeves. Simon & Schuster, \$30.

Philip Stephens on the UK prime minister's Ulster initiative

Major's risky crusade

One of the more cruel truths of Northern Ireland is that politics has long favoured the status quo. No matter how vicious the violence, post-war governments on both sides of the Irish Sea have never been threatened by a failure to restore peace.

Instead politicians in London have been mesmerised by the dangers of undercutting the Protestant, unionist majority. Irish leaders have looked over their shoulder at the nationalist aspirations of the Republic. In Belfast, the constitutional parties - Protestant and Roman Catholic - have jostled with the status quo, with the risks of a new political settlement.

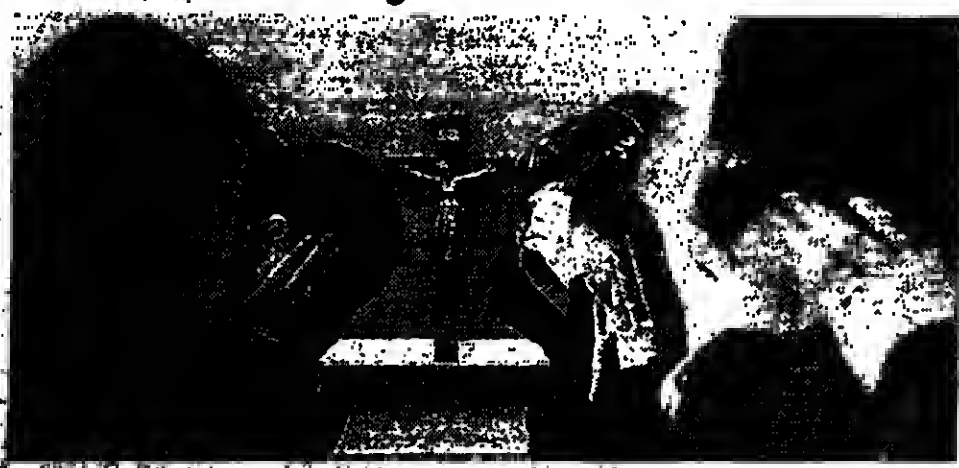
Mr John Major this week declared it was time to end that depressing paralysis. After weeks of intensive contacts between London and Dublin he put Northern Ireland at the top of his personal agenda.

He is ready to table his own, comprehensive proposals for devolved government in Ulster and a re-definition of the relationships between Britain and the Republic, and between north and south.

He made explicit the offer of a place in negotiations for Sinn Féin if the IRA called a permanent halt to their terrorist campaign. He said he was aiming for peace as well as a political settlement. He warned the hard-line Democratic Unionist Party of the Rev Ian Paisley it could not exercise a veto.

Senior British officials said that all sides would have to make uncomfortable compromises. Mr Major, joined by the terrorist atrocities which began with last month's IRA bombing of Belfast's Protestant Shankill Road, was ready to do so. He is confident of his own skills as a conciliator and negotiator. He is spending more time on Northern Ireland than on any other subject.

Not everyone thinks it is a wise decision. The high-profile approach is described variously in Whitehall as naïve and dangerous, as well as cou-



Belfast schoolchildren observing a nine minute silence, part of mass peace rallies in the province

rageous. His advisers say he knows it is a high-risk strategy. Old Ulster hands regard that as an understatement.

Mr Major sees the rewards as well as the risks. An end to the killing after 25 bloody years would be the ultimate prize. But even a political deal which fell short of that would do much to restore his authority.

A discernible mood for peace on both sides of the Irish border, however, cannot of itself untie the knot which has wrecked past initiatives. Nor will it erase centuries of mistrust. Mr Major must find the elusive formula which reassures the unionist majority they retain a veto over constitutional change and recognises the nationalist aspirations of the Republic and the Catholic minority in Ulster.

So at the kernel of any agreement there must be a willingness on Dublin's part to modify its constitutional claim to sovereignty, and a recognition by unionists that the Republic has a legitimate interest in the way the north is governed.

None of this is new. Some of these realities are incorporated into the 1985 Anglo-Irish agreement. Mr Gerard Fitzgerald, the then Irish prime minister, offered in 1984 to submit to a referendum the offending articles 2 and 3 of the Irish constitution. Lady Thatcher

did not believe he could deliver and the idea was abandoned.

Mr Major believes the mood has changed. He trusts Mr Albert Reynolds, his Irish counterpart. British officials say the two have a rapport. But as a leak of Dublin's draft proposals for a settlement revealed, the price it is demanding for renunciation of the South's territorial claim is still too high for Unionists. Though the words "joint sovereignty" never appear, the idea suffices the document.

That runs straight into the unionists' determination to preserve the province's present status. Here the pivotal figure is Mr James Moynihan, the 75-year-old leader of the Ulster Unionists. Mr Major is ready to accept that Mr Paisley's DUP may boycott talks. But the prime minister cannot get anywhere without the support of the nine Ulster Unionist MPs.

Much has been made of the deal struck by the prime minister and Mr Moynihan to secure the ratification of the Maastricht treaty in the summer. But the foundations of Mr Moynihan's authority runs much deeper. Mr Major, a self-declared unionist, cannot agree anything without the consent of the Protestant majority. Mr Moynihan's veto is cast-iron.

So far he has kept his counsel on Mr Major's initiatives. But some suspect he expects the process to founder. Mr Major might then have to accept unionists' agenda for integrating the province more fully into the UK.

Mr John Hume of the mainly Catholic SDLP has a different sort of veto. His joint initiative with Mr Gerry Adams of Sinn Féin was rejected in both Dublin and London. But to the discomfort of Mr Major, Mr Reynolds has taken on board the idea that peace is an essential ingredient of any political settlement. No Irish government can disown the SDLP.

Then there is Sinn Féin. British intelligence reports suggest Mr Adams may be serious about extricating the IRA from violence. But there is no certainty and many risks.

There is unease on the Tory backbenches about "concessions" to terrorists. One minister warned that, if Mr Major leans too far towards Sinn Féin, the resultant split in the Tory party would make Maastricht seem a "tea party".

In the past few weeks London and Dublin have cleared some of the historical debris strewn across the path to peace. But for all his determination Mr Major has no idea yet whether he has set off along another cul de sac.

President Bill Clinton's triumph in getting the North American Free Trade Agreement (Nafta) through the US Congress has reignited optimism in Europe that a Gatt world trade deal is now within grasp.

Sir Leon Brittan, the European Union's chief trade negotiator, stated cautiously on Thursday: "I hope this will now enable the US administration to contribute fully to the solution of the limited number of substantial problems that still remain," to complete the Uruguay Round by its December 15 deadline.

In Washington, Mr Mickey Kantor, the US trade representative, was confident that the momentum created by Nafta would produce "concrete offers" from Asian leaders at the Asian-Pacific summit in Seattle for the bargaining table in Geneva. He acknowledged that there were several outstanding issues but said there was sufficient time to reach agreement by the deadline. "There will be a Uruguay Round deal," he said.

He dismissed as propaganda the contention of Brussels officials that Washington's near-total rejection of its crack trade negotiators to deal with Nafta had badly disrupted the impossibly tight Uruguay Round schedule. He knows, however, that there is an unrelenting slog ahead, especially to settle differences between the US and the EU. If these two giants do not agree, the Round cannot be concluded.

The meetings between Sir Leon and Mr Kantor on Monday and Tuesday are thus pivotal. "We want a serious, hard, long negotiation," an aide to the EU commissioner stressed. "The signs are that the US is moving fast. This weekend, in Brussels, Mr Joe O'Mara from the US agriculture department is expected to hold important detailed talks with Mr Guy Legras, head of the European Commission's agriculture directorate. At stake is the extent to which Washington can make any of the additional concessions on last year's Blair House accord - in which the EU and US agreed substantial cuts in subsidised food exports - demanded by the French government as a condition for concluding the Round.



Fresh dose of political will

David Gardner and Nancy Dunne on the countdown to Gatt

Farm trade is the issue which has prolonged the negotiations for seven years and threatened repeatedly to sink them. There is a growing feeling, in Brussels and Geneva, that Washington will offer concessions on farm trade while preserving Blair House as a basic building block for the Round. But, equally, there is concern among senior Brussels officials that compromises on agriculture designed to get Paris off the hook with its militant farmers will be paid for in other sectors where agreement is still needed.

Chief among these are: Market access and cuts in industrial tariffs. The EU is demanding that the US at least match the offer by Brussels to cut high tariffs. The EU is targeting US protection of its textiles, ceramics and glass industries.

In a deal to get the backing of US textile interests for Nafta, the Clinton administration was careful not to tie its

hands in the Round. It "anticipated" tariff cuts that would not go "substantially beyond" those agreed between the US and EU industries, and said it would work "diligently" to harmonise tariffs to no higher than 7.5 per cent for man-made fibres - thus addressing the demands of Portugal and Greece - 15 per cent for yarns, 30 per cent for fabrics and 35 per cent for apparel.

The US administration is still seeking zero tariffs for wood products and paper. It has apparently lost hope that tariffs will be eliminated on electronics and non-ferrous metals, but is proposing to drop the latter to no more than 3 per cent.

Steel: "We want peace in the marketplace, past, present and future," a Commission official said, indicating that the US should scrap existing punitive duties on European steel and undertake to deal with future disputes multilaterally. In return, the EU is willing

to restrict the terms under which it subsidises its steel industry.

Cinema and broadcasting. This is another French bugbear because of the perceived threat to European culture from Hollywood. Washington has softened its opposition to existing EU subsidies for cinema and videos and voluntary quotas for indigenous programmes, but is demanding a free market in the new technologies - fibre optics, satellite-delivered programmes and other forms of pay television. The 12 member states have yet to decide on a common position on technological development.

Aircraft manufacture. The two sides have a bilateral deal restricting EU direct subsidies to Airbus, and US indirect subsidies to its manufacturers through the defence budget. Brussels is strongly resisting US attempts to rewrite the bilateral accord inside Gatt. The US is also considering a twin approach on subsidies - one for the US and EU, and another for other countries such as Japan and South Korea.

The EU is determined that the future Multilateral Trading Organisation (MTO) to replace Gatt will hunt the US bilateral trade sanctions arsenal, in particular by forcing Washington to adapt its so-called 301 trade laws to the new MTO order. While Congress would not pass any agreement to forgo unilateral action completely, it could agree to bring complaints first to an international body if the settlement mechanism were sufficiently strong and swift.

There is still a lot to resolve. But senior EU officials acknowledge that Mr Clinton showed courage in getting Nafta through, and that the same political will is now demanded from European leaders - particularly from Mr Edouard Balladur, the French prime minister.

Mr Kantor, who has met French officials on at least two occasions in the past month, is optimistic that common ground has been established. But everyone, he said, must rise above national interests to boost growth in the world economy. Only then can the tortuous Gatt negotiations be concluded and a new era of freer trade begin.

A tax with no supporters

From Mr Noel Paulley.
Sir, The 75 Conservative MPs who recently expressed deep unease about the planned imposition of VAT on domestic fuel ("Many Tory MPs want deeper spending cuts", November 15) were, in my judgment, a very accurate reflection of Tory grassroots opinion in the constituencies. During 25 years work for the party, I have never encountered a measure

which was so widely unpopular with fellow members. The poll tax was unpopular, but it did have its supporters within the party. VAT on domestic fuel appears to be friendless, and the government would be wise to reconsider.

Noel Paulley,
"Corrie",
Cordill Road,
Cordill CP4 8NL

A simple boost to rented sector

From Mr Alan Thurlow.
Sir, John Willman's report, "Plans to boost initiative on private finance" (November 15), that the Treasury is about to "breathe new life into the private financial initiative" is good news. It at least suggests that the Treasury is capable of movement.

Before tackling the complex task of introducing private capital to major infrastructure projects, why not do a simple job first?

The private rented sector is crying out for investment to build the 100,000 new homes that are needed each year.

Minor changes to the inequitable tax regime that penalises landlords in favour of owner-occupier could be made on Budget day.

Designing a modified investment trust to attract institutional funds for investment in the private rented sector should not take long either.

Good practice for the Treasury, you may feel, before it gets round to roads, bridges and railways.
Alan Thurlow,
28 New Road,
Brighton,
Sussex BN1 1UG

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Solvency test needs support

From Mr R J Whitlam and Miss P M Webster.

Sir, The Goode Committee has proposed that in future occupational pension schemes should be required to hold a minimum level of assets to back the pension promise given to members. This has generated considerable discussion among pensions professionals. Some alarmist claims have been made to the effect that the solvency test will cost individual companies tens or hundreds of millions of pounds. As a result, pressure seems to be growing from some quarters for the proposal to be either abandoned or substantially watered down.

We believe this would be a pity. A solvency test would do much to improve benefit security in the minority of schemes which are currently not adequately funded. What is needed is a cool-headed analysis of how the proposed test could be

fine-tuned so that it brings the recalcitrant schemes into line, without jeopardising the position of the majority of UK pension funds which are already soundly funded and invested.

Some alarmist claims appear to be based on the assumption that many large schemes would currently be either barely 100 per cent solvent or indeed below that level. However, an analysis of the solvency position of 20 of our largest pension schemes clients showed they are currently all more than 100 per cent solvent on the proposed basis, and the vast majority are comfortably above 120 per cent. This is because, like most UK pension schemes, they are funded on sound bases allowing for projected final pay benefits.

The solvency test is designed to ensure that schemes should at all times contain enough assets to meet members' accrued benefits based on cur-

rent pay. This is a laudable aim. A number of practical issues need to be addressed during the consultation stage, such as the introduction of some smoothing to make the test less susceptible to daily fluctuations in asset values. There also needs to be discussion about the treatment of very large mature schemes and whether remedial action should always involve a three-year funding plan rather than the current proposal for immediate cash injections from the employer when solvency falls below 90 per cent. These are details which can be sorted out and are not reasons for rejecting the substance of what has been proposed.

R J Whitlam & Miss P M Webster,
Bacon & Woodrow,
actuaries and consultants,
St Olaf House,
London Bridge City,
London SE1 2PE

Curious and curiouser

From Mr Alexander John.

Sir, Thank you for featuring Sir Peter Hall as "Minister for a Day" (November 13/14). To imagine - however briefly - a situation where the arts were administered effectively, rather than just cheaply, was a delight, even though under the present regime it must seem a curious fantasy.

Less curious, though, than the brand of economics favoured by Ian Hargreaves in his "Why the BBC should be privatised". "Although at £83 a year the licence fee does not look expensive today," he writes, "it will come to seem so when up-rated steadily in line with inflation." Really. Noting that he is your deputy, Sir, I do wonder whether this thinking will determine your future pricing policy?
Alexander John,
5 Birchmead,
Watford, Herts WD1 3RU

Accountants have skills now

From Mr Douglas McRae.

Sir, Sir Geoffrey Owen's article in your *Accountancy* Column (November 18) is a welcome contribution to the debate on the role of accountants in business life. He and his colleagues at the London School of Economics correctly identify the need for accountants actively engaged in business management to be trained for total management, as opposed to the narrower traditions of accountancy.

The fact is, however, that the "five most important skills" he identifies as necessary for the future, with all catered for already, with precision, by the Chartered Institute of Management Accountants.

The whole ethos of our training is towards producing versa-

tile people trained as management accountants and equipped to hold senior management positions. Among their basic working tools is the ability, as part of management, to provide and manage information, financial and non-financial, gathered from inside and outside the business as the basis for fundamental business decisions.

It is no accident that British Airways, which has just been presented with the CIMA Training Award, now relies almost wholly upon CIMA training for its graduate accountancy recruits.

Douglas McRae,
president, Chartered Institute of Management Accountants,
63 Portland Place,
London W1N 4AB

Now for the collected works

From Mr T S McClymont.

Sir, Lambasting-bastiding-fault-finding-brow-beating-knuckle-rapping-finger-pointing-tongue-lashing Joe Rogaly strikes again ("If the dunce's cap fits...", November 18).

Should you decide to publish a volume of Rogaly's collected remonstrances I'd buy it like a hot T S McClymont,
Martin Luther-Sir, 36,
60829 Frankfurt/Main,
Germany

INTERNATIONAL COMPANIES AND FINANCE

Cost of job cuts forces NTT to slash profits forecast

By William Dawkins in Tokyo

NIPPON Telegraph and Telephone, the world's second largest telecommunications company, yesterday warned that its full-year profits would be more than halved because of Japan's recession and the costs of workforce cuts.

The company estimated that pre-tax profits would fall to ¥100bn (\$891m) for the year to next March - ¥43bn lower than its original forecast - from ¥147.5bn in 1992.

On top of this, NTT will make a ¥19bn extraordinary charge for the costs of voluntary redundancies, as part of the 30,000 job reductions it is seeking over the next 10 years. This will bring pre-tax profits after extraordinary charges

down to an estimated ¥87bn for the full year, said NTT.

NTT yesterday posted a pre-tax profit of ¥100.94bn in the first half-year to September, down 1.8 per cent on the same period of the previous year, on operating revenues of ¥2,911bn. Net profits fell 10 per cent, from ¥45.59bn to ¥40.94bn.

The continuing slide in income from dial calls, sluggish sales of new telephone lines and the impact of the reduction in telephone charges made in June 1992, produced a 1.7 per cent decline in operating revenue in the first half.

Competition to attract new customers is intensifying, said NTT.

It added that "the Japanese economy as a whole has faced

severe difficulties in the first half of fiscal 1993, due to prolonged economic sluggishness brought on by stagnant private consumption and lowered corporate capital investment."

Another factor was the revenue lost following the spin-off of NTT's mobile telephone division in July 1992. Adjusting for this, underlying group operating revenues rose fractionally, by 0.7 per cent by comparison with the first half of 1992.

However, the spin-off, plus a reduction in the workforce, helped to reduce operating expenses by 1.3 per cent to ¥2,749bn.

"The group said it would make 'significant efforts' to protect market share and it would push ahead with streamlining plans.

Swedbank withdraws request for state aid

By Christopher Brown-Humes in Stockholm

SWEDBANK, the Nordic region's largest bank in asset terms, yesterday withdrew its request for state support after announcing a SKr2bn (\$342m) rights issue and much improved financial figures for the first nine months.

Its move means the three Swedish banks which applied for state aid earlier this year have now withdrawn their applications, testifying to the recovery in the country's financial sector.

The bank said the rights issue was the final part of an action plan designed to strengthen its capital base by SKr2bn and increase its capital adequacy ratio to more than 10 per cent.

Other measures, already announced, include the sale of a 90 per cent stake in a fund management unit and two large losses of perpetual stock.

The share issue will be in the form of a private placement and will be launched in the first quarter of next year. A maximum of 38m shares is to be offered to existing owners and Swedish and international investors at a minimum price of SKr55 a share. The bank is also aiming for a stock exchange listing within the next three years.

Nine-month figures from Swedbank confirmed an improving results trend, with operating losses cut to SKr2.65bn from SKr3.51bn.

Cost-cutting helped the bank to lift its result before losses to SKr2.11bn from SKr3.07bn in the first half of 1992, a 38 per cent improvement.

Swedbank's operating losses fell 19 per cent to SKr1.9bn. Skandinaviska Enskilda Banken and Föreningsbanken have also withdrawn requests for state assistance, after announcing big share issues.

Murdoch tones down super-vote plan

By Nikki Tait in Sydney

MR Rupert Murdoch's News Corporation yesterday toned down key features of its proposed "super voting share" issue, in a bid to win approval for the controversial scheme from the Australian Stock Exchange and fund managers.

The media company said it would place a "cap" of 40 per cent on the aggregate number of votes which could be exercised by the holders of the super shares.

In addition, new shares would be transferable without any loss of voting power, and they would be quoted on the ASX.

"It is also probable that quotation of the super-voting shares will be sought on the London Stock Exchange and, in the form of American de-

pository shares, on the New York Stock Exchange, a letter from News Corp's lawyers said.

Despite the concessions, the Australian Investment Managers' Group - representing most of major fund management groups - said its members still strongly supported "one share-one vote" and had "grave concerns" about the plan.

Differential voting rights do not feature in Australia, and the News Corp plan would require an amendment to the ASX's listing rules.

News Corp had never formally revealed details of the original scheme. However, it was understood shareholders would have been granted one new share for every 10 ordinary shares, and each new share would have carried around 25 votes. Critically, the "super voting rights under the first

plan would only have attached to the new shares as long as the original owner did not sell them.

This structure could have allowed Mr Murdoch - who owns around 33 per cent of News Corp's equity - either directly or through his family company - to achieve "crisp control" as other investors sold their super shares. He, and other family interests, could also have sold their ordinary shares without significantly diluting their voting rights.

News Corp's justification for the plan was that the company might need to issue equity to fund deals and joint ventures, and did not want to endanger management's security of tenure.

Under the revised scheme, the super voting shares would

still be distributed to shareholders by way of a one-for-10 bonus issue. However, the 40 per cent cap would ensure the number of votes conferred by each super-voting share would be much lower than 25 - more like six and two-thirds votes per share.

If, over time, new ordinary shares were issued, the 40 per cent cap would remain and votes attached to the super shares would change. For example, if a further 500m ordinary shares were issued, the super-voting shares would confer 10 votes a share. The process would continue until the number of votes per super share was effectively 25.

The ASX recently released a discussion paper dealing with the principles of differential voting rights and is seeking comment.

Nissan to buy out Spanish unit

By Kevin Done, Motor Industry Correspondent

Nissan, the Japanese carmaker, is offering to buy out minority shareholders in its troubled Spanish subsidiary Nissan Motor Iberica.

The Spanish operations have run up heavy losses in the past two years, forcing Nissan to undertake a radical restructuring to comply with Spanish corporate solvency law.

Under the impact of heavy losses, expected to total around Ptas40bn (\$300m) this year, Nissan is planning to write off about two-thirds of the company's share capital, which will be reduced from Ptas60bn to around Ptas20bn.

The takeover by Nissan of full control of the Spanish shares is expected to be followed by drastic rationalisation measures.

It is seeking to cut its costs by about Ptas10bn in the three years 1993-95 and to eliminate around 1,100 jobs from its workforce which totalled 7,200 at the start of the year.

The Japanese carmaker, which holds 70.2 per cent of the equity of Nissan Iberica, said yesterday it had filed an offer with the Spanish stock exchange commission for Nissan Europe to acquire the outstanding 29.7 per cent minority holding in the company ahead of the capital write-down.

The Japanese carmaker said

it was offering shareholders the possibility to sell their shares in exchange for a 10 per cent discount on the value of the current and mid-term situation of NMISA.

Shares in Nissan Motor Iberica, suspended on Thursday, closed on Wednesday at Ptas47. The share price has slipped from a high for the year of Ptas44 to its financial crisis has deepened.

Details of the offer, which were not disclosed, were approved by the stock exchange commission. It is believed the final Nissan offer could be worth about Ptas250 a share, which would value the bid for the minority holding at around \$88m.

Skandia stages sharp recovery at nine months

By Christopher Brown-Humes

SKANDIA, the Swedish insurer, yesterday announced a SKr3.95bn (\$477m) nine-month management operating profit and said it was on course for a full-year result "which may be amongst the best we have ever achieved".

"This is a dramatic turnaround from 1992 when the group had a management operating loss of SKr3.74bn due to heavy credit insurance losses, falling property values and large claims from Hurricane Andrew.

Group performance this year has been helped by a one-time SKr1.45bn gain from the sale of its 76 per cent stake in the German life insurer, Hamburg-Mannheimer.

Credito Italiano warns of higher loan loss provisions

By Haig Simonian in Milan

CREDITO Italiano, the Italian bank to be privatised next month, warned investors yesterday that provisions for possible loan losses this year will be much higher than in 1992, when group earnings after tax and provisions were L150.6bn.

In spite of the warning, a senior executive did not foresee any need for a dividend cut and said 1993 profits should be in line with the net L202.2bn (\$121.2m) made in 1992.

The need for higher provisions stems from the bank's heavy exposure to some leading problem debtors, notably Renault. This impact of a big increase in provisions would be accentuated by Italy's tax rules, which oblige banks to

pay tax on setting aside more than a marginal increase in provisions.

The effect of higher provisions and tax will be partly offset by the 35 per cent jump in the bank's fee income to L368m in the first half of 1993, when group earnings after tax and provisions were L150.6bn.

Mr Romano Prodi, chairman of the IRI state holding company which controls Credito Italiano, said the sale was "essential" to restore IRI's finances.

IRI's group debt is expected to rise to L74,000bn by December, about L1,000bn more than the previous year, although the proportion attributable to the parent company should fall marginally. Mr Prodi said IRI hoped to raise about L20,000bn from asset sales.

Hydro-Quebec 12.5% ahead

HYDRO-Quebec, one of Canada's two biggest power utilities, posted a profit of C\$360m (\$282m) for the first nine months of 1993, up 12.5 per cent on a year earlier. Revenues from power sales rose 3.1 per cent to \$5.08bn, writes Robert Gibbons in Montreal.

Demand in Quebec was helped by the start-up of two new aluminium smelters, cost-reduction programmes and by savings derived from the replenishment of reservoirs during 1992.

Nine-month reverse at Investor

By Hugh Carnegie in Stockholm

SLIDING profits at Saab-Scania, the vehicle and aerospace group, and falling capital gains sent pre-tax profits tumbling to SKr21.8m (\$38m) in the first nine months from SKr1.83bn at Investor, the company which holds the prime industrial holdings of Sweden's powerful Wallenberg family.

Sales at Saab-Scania, which is 100 per cent owned by Investor, slipped to SKr19.3bn from SKr19.5bn as assistance from the devaluation of the Swedish

krona failed to offset flagging demand in Europe for its trucks and aircraft. Profits at Saab-Scania fell to SKr530m from SKr1.55bn.

Investor repeated its half-year warning that it expected Saab-Scania's full-year profits to be "significantly" lower than 1992's SKr2.13bn because of continued weak demand.

Capital gains, mainly from the sale of Investor's stake in Ases, the Swedish half owner of the engineering plant Ases Brown Boveri and of buildings in Stora, the forestry group, fell to

SKr1.22bn from SKr2.27bn.

The value of Investor's strategic portfolio stood at SKr25.14bn at end-September. The portfolio includes most of Sweden's top industrial names, including Astra, Stora, SKF, Ericsson and Atlas Copco, but the rise in value was significantly less than the stock market rise.

Investor's net worth stood at SKr4.25bn at September 30 with Saab-Scania shown at book value. Group net debt was SKr7.95bn, down from SKr8.7bn at the end of last year.

Diversification leaves Minebea with net loss

MINEBEA, the world's leading maker of miniature ball bearings, lifted operating profits, but suffered heavy losses from diversifying into semiconductors, writes William Dawkins.

Pre-tax profits rose 8.5 per cent to ¥8,930m (\$83.5m) in the year to end-September, on sales up fractionally to ¥20.6bn. It swung from a net profit of ¥2.73bn last year into a net loss of ¥38.75bn.

It will pay no dividend this year, having paid ¥6 per share in 1992.

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1993	Low 1993
Gold per troy oz.	\$378.00	+3.4	\$336.35	\$405.75	\$328.05
Silver per troy oz.	320.00	+13.5	248.50p	\$325.50p	236.00p
Aluminium 99.7% (cash)	\$1042.50	-13.5	\$1153.00	\$1240.00	\$1023.50
Copper Grade A (cash)	\$1627.5	-16.0	\$1404.5	\$2375.00	\$1106.50
Lead (cash)	\$600.5	+3.5	\$235.20	\$460.00	\$361.50
Wheat (cash)	\$4607.5	+130.0	\$4460.0	\$4940.5	\$4040.5
Zinc SH3 (cash)	\$329.0	-8.5	\$1046.5	\$1112	\$898.0
Tin (cash)	\$4627.5	-37.5	\$5975.0	\$6047.5	\$4340.0
Cocoa Futures (Mar)	\$1040	+88	\$744	\$1040	\$963
Coffee Futures (Jan)	\$1264	+54	\$998	\$1297	\$838
Sugar (LDP Raw)	\$204.3	+5.5	\$221.0	\$317.4	\$204.5
Barley Futures (Jan)	\$102.15	+0.7	\$101.50	\$110.30	\$101.50
Wheat Futures (Jan)	\$28.85	+0.85	\$135.40	\$149.45	\$28.85
Cotton Output A Index	\$5.10c	+0.10	\$2.75c	\$2.35c	\$4.50c
Wool (H4 Super)	\$33p	-10	\$20p	\$40p	\$15p
Oil (Brent Blend)	\$15.895c	+0.28	\$19.375	\$18.53	\$15.805

For time unless otherwise stated. p=per cent, c=cents, b=bushels.

London Markets

SPOT MARKETS	Latest	Previous	High/Low
Crude oil (per barrel FOB/Jan)	15.68	15.70	15.58-15.78
Diesel	16.18-16.28	-0.07	
Brent Blend (Jan)	16.15-16.25	-0.05	
Brent Blend (Jan)	16.15-16.25	-0.05	
WTI (1st Jan)	15.17-15.27	-0.05	
Oil products			
NWEE prompt delivery per tonne CIF	1171-1173		
Crude oil	1171-1173		
Heavy Fuel Oil	1171-1173		
Naphtha	1171-1173		
Petroleum Argus Estimates	1171-1173		
Other			
Gold per troy oz.	\$378.00	+12.5	
Silver per troy oz.	320.00	+13.5	
Potassium (per troy oz.)	\$378.00	-12.5	
Palladium (per troy oz.)	\$1290.00	-0.5	
Copper (US Product)	79.0c		
Lead (US Product)	32.75c		
Tin (Asian Market)	1189	-0.02	
Zinc (US Prime Western)	213.90c	-0.50	
Cattle (live weight)	119.25p	-0.70	
Sheep (live weight)	86.80p	+1.25p	
Pigs (live weight)	65.95p	-0.05p	
London daily sugar	\$264.30	+6.5	
London daily wheat	\$230.10	+4	
Tate and Lyle export price	\$230.10	+5.5	
Barley (English)	119p		
Maize (US No. 3 yellow)	119p		
Wheat (US No. 3 hard)	118.50p		
Rubber (Dunlop)	60.50p		
Rubber (RSS No. 1)	60.75p		
Cocoa (Philippines)	\$477.50	+12.5	
Palm Oil (Malaysia)	\$350.00	+0.5	
Copra (Philippines)	\$300.00	+7.5	
Soyabean (US)	\$204.00		
Soybean Meal	\$15.00	+0.5	
Woolfats (US Super)	35p		

For time unless otherwise stated. p=per cent, c=cents, b=bushels.

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1993	Low 1993
Gold per troy oz.	\$378.00	+3.4	\$336.35	\$405.75	\$328.05
Silver per troy oz.	320.00	+13.5	248.50p	\$325.50p	236.00p
Aluminium 99.7% (cash)	\$1042.50	-13.5	\$1153.00	\$1240.00	\$1023.50
Copper Grade A (cash)	\$1627.5	-16.0	\$1404.5	\$2375.00	\$1106.50
Lead (cash)	\$600.5	+3.5	\$235.20	\$460.00	\$361.50
Wheat (cash)	\$4607.5	+130.0	\$4460.0	\$4940.5	\$4040.5
Zinc SH3 (cash)	\$329.0	-8.5	\$1046.5	\$1112	\$898.0
Tin (cash)	\$4627.5	-37.5	\$5975.0	\$6047.5	\$4340.0
Cocoa Futures (Mar)	\$1040	+88	\$744	\$1040	\$963
Coffee Futures (Jan)	\$1264	+54	\$998	\$1297	\$838
Sugar (LDP Raw)	\$204.3	+5.5	\$221.0	\$317.4	\$204.5
Barley Futures (Jan)	\$102.15	+0.7	\$101.50	\$110.30	\$101.50
Wheat Futures (Jan)	\$28.85	+0.85	\$135.40	\$149.45	\$28.85
Cotton Output A Index	\$5.10c	+0.10	\$2.75c	\$2.35c	\$4.50c
Wool (H4 Super)	\$33p	-10	\$20p	\$40p	\$15p
Oil (Brent Blend)	\$15.895c	+0.28	\$19.375	\$18.53	\$15.805

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1993	Low 1993
Gold per troy oz.	\$378.00	+3.4	\$336.35	\$405.75	\$328.05
Silver per troy oz.	320.00	+13.5	248.50p	\$325.50p	236.00p
Aluminium 99.7% (cash)	\$1042.50	-13.5	\$1153.00	\$1240.00	\$1023.50
Copper Grade A (cash)	\$1627.5	-16.0	\$1404.5	\$2375.00	\$1106.50
Lead (cash)	\$600.5	+3.5	\$235.20	\$460.00	\$361.50
Wheat (cash)	\$4607.5	+130.0	\$4460.0	\$4940.5	\$4040.5
Zinc SH3 (cash)	\$329.0	-8.5	\$1046.5	\$1112	\$898.0
Tin (cash)	\$4627.5	-37.5	\$5975.0	\$6047.5	\$4340.0
Cocoa Futures (Mar)	\$1040	+88	\$744	\$1040	\$963
Coffee Futures (Jan)	\$1264	+54	\$998	\$1297	\$838
Sugar (LDP Raw)	\$204.3	+5.5	\$221.0	\$317.4	\$204.5
Barley Futures (Jan)	\$102.15	+0.7	\$101.50	\$110.30	\$101.50
Wheat Futures (Jan)	\$28.85	+0.85	\$135.40	\$149.45	\$28.85
Cotton Output A Index	\$5.10c	+0.10	\$2.75c	\$2.35c	\$4.50c
Wool (H4 Super)	\$33p	-10	\$20p	\$40p	\$15p
Oil (Brent Blend)	\$15.895c	+0.28	\$19.375	\$18.53	\$15.805

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1993	Low 1993
Gold per troy oz.	\$378.00	+3.4	\$336.35	\$405.75	\$328.05
Silver per troy oz.	320.00	+13.5	248.50p	\$325.50p	236.00p
Aluminium 99.7% (cash)	\$1042.50	-13.5	\$1153.00	\$1240.00	\$1023.50
Copper Grade A (cash)	\$1627.5	-16.0	\$1404.5	\$2375.00	\$1106.50
Lead (cash)	\$600.5	+3.5	\$235.20	\$460.00	\$361.50
Wheat (cash)	\$4607.5	+130.0	\$4460.0	\$4940.5	\$4040.5
Zinc SH3 (cash)	\$329.0	-8.5	\$1046.5	\$1112	\$898.0
Tin (cash)	\$4627.5	-37.5	\$5975.0	\$6047.5	\$4340.0
Cocoa Futures (Mar)	\$1040	+88	\$744	\$1040	\$963
Coffee Futures (Jan)	\$1264	+54	\$998	\$1297	\$838
Sugar (LDP Raw)	\$204.3	+5.5	\$221.0	\$317.4	\$204.5
Barley Futures (Jan)	\$102.15	+0.7	\$101.50	\$110.30	\$101.50
Wheat Futures (Jan)	\$28.85	+0.85	\$135.40	\$149.45	\$28.85
Cotton Output A Index	\$5.10c	+0.10	\$2.75c	\$2.35c	\$4.50c
Wool (H4 Super)	\$33p	-10	\$20p	\$40p	\$15p
Oil (Brent Blend)	\$15.895c	+0.28	\$19.375	\$18.53	\$15.805

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1993	Low 1993
Gold per troy oz.	\$378.00	+3.4	\$336.35	\$405.75	\$328.05
Silver per troy oz.	320.00	+13.5	248.50p	\$325.50p	236.00p
Aluminium 99.7% (cash)	\$1042.50	-13.5	\$1153.00	\$1240.00	\$1023.50
Copper Grade A (cash)	\$1627.5	-16.0	\$1404.5	\$2375.00	\$1106.50
Lead (cash)	\$600.5	+3.5	\$235.20	\$460.00	\$361.50
Wheat (cash)	\$4607.5	+130.0	\$4460.0	\$4940.5	\$4040.5
Zinc SH3 (cash)	\$329.0	-8.5	\$1046.5	\$1112	\$898.0
Tin (cash)	\$4627.5	-37.5	\$5975.0	\$6047.5	\$4340.0
Cocoa Futures (Mar)	\$1040	+88	\$744	\$1040	\$963
Coffee Futures (Jan)	\$1264	+54	\$998	\$1297	\$838
Sugar (LDP Raw)	\$204.3	+5.5	\$221.0	\$317.4	\$204.5
Barley Futures (Jan)	\$102.15	+0.7	\$101.50	\$110.30	\$101.50
Wheat Futures (Jan)	\$28.85	+0.85	\$135.40	\$149.45	\$28.85
Cotton Output A Index	\$5.10c	+0.10	\$2.75c	\$2.35c	\$4.50c
Wool (H4 Super)	\$33p	-10	\$20p	\$40p	\$15p
Oil (Brent Blend)	\$15.895c	+0.28	\$19.375	\$18.53	\$15.805

WORLD COMMODITIES PRICES

FABRICATION 5,000 lb mtn cents/500 bushel				
Close	Previous	High/Low		
007/8	000/0	030/4	054/0	
002/4	002/4	004/4	008/2	
002/7	002/7	005/4	004/4	
003/0	003/0	005/4	006/2	
003/4	003/4	007/4	007/0	
007/4	007/4	009/0	007/0	
005/6	005/6	007/4	004/0	
042/0	042/2	043/0	030/4	
FABRICATION 10,000 lb mtn cents/b				
Close	Previous	High/Low		
26.87	26.54	25.75	28.35	
26.65	26.47	26.89	26.32	
34.54	34.45	34.59	34.32	
34.32	34.22	34.35	34.05	
28.08	35.15	25.15	28.00	
25.85	25.75	25.75	25.80	
24.00	24.00	23.05	24.00	
24.24	24.28	24.35	23.85	
FABRICATION MEAL 10 tons cwt				
Close	Previous	High/Low		
211.3	211.7	212.2	210.8	
206.3	206.8	206.7	207.3	
207.1	207.4	207.2	208.0	
205.8	206.0	206.0	204.5	
205.8	206.0	205.9	206.5	
204.8	204.0	204.7	203.3	
207.1	207.1	202.0	201.0	
198.7	0	0	0	
ZF 5,000 lb mtn cents/500 bushel				
Close	Previous	High/Low		
237/8	235/8	235/4	239/2	
236/4	239/0	238/6	237/2	
230/8	230/8	230/8	228/0	
230/0	230/8	230/2	228/6	
272/2	272/4	274/0	273/0	
228/0	227/8	228/4	227/4	
254/0	254/0	258/4	253/2	
EAT 5,000 lb mtn cents/500-bushel				
Close	Previous	High/Low		
307/8	302/2	305/6	350/2	
302/4	302/4	302/4	304/0	
337/0	335/6	337/4	347/0	
336/4	336/6	336/4	335/4	
336/0	336/0	336/0	332/2	
336/0	336/0	336/0	332/0	
336/0	336/0	336/0	332/0	
323/0	323/0	0	0	
CATTLE 40,000 lbs cwt caribates				
Close	Previous	High/Low		
76.115	73.825	73.850	72.975	
76.170	74.825	74.875	73.025	
76.380	75.175	76.700	76.100	
73.350	73.775	73.850	73.100	
76.300	72.900	72.900	71.350	
72.075	72.475	72.500	72.200	
76.650	76.475	76.550	75.150	
HOGS 40,000 lbs cwt caribates				
Close	Previous	High/Low		
45.250	45.775	45.750	44.800	
47.425	47.305	47.400	47.000	
47.325	47.325	47.450	47.150	
52.875	52.875	52.900	52.350	
52.800	52.900	52.920	51.850	
51.000	50.875	51.000	50.850	
47.000	47.100	47.300	46.800	
48.275	48.125	48.200	48.125	
PORK BELT 40,000 lbs cwt caribates				
Close	Previous	High/Low		
54.300	54.250	54.400	53.500	
54.125	54.225	54.300	53.800	
54.475	54.700	54.800	54.300	
55.250	55.250	55.450	55.000	
54.700	55.000	54.700	54.000	

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGE

Dollar gains on D-Mark, Yen

The US dollar made significant headway against the D-Mark yesterday, boosted by talk of Federal Reserve tightening and Bundesbank easing, writes *Comer Middelmann*.

In its annual country report on the US, the OECD called for an increase in the Fed Funds rate to 5 per cent by the end of next year and recommended the Fed should start tightening by Christmas.

"Whether or not the advice is taken, it serves to underline that interest differentials are likely to move sharply further in favour of the US dollar, both in the near term and over the course of 1994," predict analysts at Bear Stearns in London.

The dollar closed in London at DM1.7150, up from DM1.7100 on Thursday, but breached DM1.7180 in late inter-bank dealing. Against the Yen the dollar closed at ¥108.30, up from ¥107.15 on Thursday.

According to Chris Turner, a

currency strategist at BZW, German and US rates are likely to stand level by the end of 1994, stripping away any lingering short-rate support for the dollar, which he expects to rise to around DM1.75 by the end of this year.

However, "as the dollar-bullish bandwagon gathers pace, we are not inclined to get any more optimistic than that for the near term," he said. "The scope for the dollar to continue rallying on the short rate expectations theme is limited. Don't be surprised to see DM1.68, or even DM1.6550, before DM1.75."

Such a correction might be sparked by higher-than-expected German money-supply and inflation data, both of which are due next week.

M3 is expected to come in around the top of the Bundesbank's 4.5 to 6.5 per cent target range while inflation is expected to have slowed to around

3.7 per cent year-on-year from 3.9 per cent in October. Sterling rose early in the day on the smaller-than-expected October UK trade gap with non-EC countries, but talk of a large cut in base rates at the November 30 Budget put a lid on sterling's upside and prompted some late profit-taking.

Mr Ian Shepherdson, UK economist at Midland Global Markets, expects sterling to trade nervously in a DM2.50-DM2.55 range ahead of Budget day.

Following recent encouraging inflation and earnings data, market talk has shifted to a one-point base rate reduction, from previous forecasts of a ½-point cut.

"If they cut the base rate by a point, sterling will dip initially but could gain momentum on prospects for real improvement in the real economy," said Mr Shepherdson.

FINANCIAL FUTURES AND OPTIONS

LIVE LONG GILT FUTURES OPTIONS

100,000 £ of 100%
Strike Price Dec Mar Dec Mar

113 2.50 3.00 0 0-0.50
114 1.50 2.00 0-0.10 1-1.10
115 0.50 1.00 0-0.20 0-1.10
116 0.00 0.50 0-0.30 0-1.10
117 0.00 0.00 0-0.40 0-1.10
118 0.00 0.00 0-0.50 0-1.10
119 0.00 0.00 0-0.60 0-1.10
120 0.00 0.00 0-0.70 0-1.10
121 0.00 0.00 0-0.80 0-1.10
122 0.00 0.00 0-0.90 0-1.10
123 0.00 0.00 0-1.00 0-1.10
124 0.00 0.00 0-1.10 0-1.10
125 0.00 0.00 0-1.20 0-1.10
126 0.00 0.00 0-1.30 0-1.10
127 0.00 0.00 0-1.40 0-1.10
128 0.00 0.00 0-1.50 0-1.10
129 0.00 0.00 0-1.60 0-1.10
130 0.00 0.00 0-1.70 0-1.10
131 0.00 0.00 0-1.80 0-1.10
132 0.00 0.00 0-1.90 0-1.10
133 0.00 0.00 0-2.00 0-1.10
134 0.00 0.00 0-2.10 0-1.10
135 0.00 0.00 0-2.20 0-1.10
136 0.00 0.00 0-2.30 0-1.10
137 0.00 0.00 0-2.40 0-1.10
138 0.00 0.00 0-2.50 0-1.10
139 0.00 0.00 0-2.60 0-1.10
140 0.00 0.00 0-2.70 0-1.10
141 0.00 0.00 0-2.80 0-1.10
142 0.00 0.00 0-2.90 0-1.10
143 0.00 0.00 0-3.00 0-1.10
144 0.00 0.00 0-3.10 0-1.10
145 0.00 0.00 0-3.20 0-1.10
146 0.00 0.00 0-3.30 0-1.10
147 0.00 0.00 0-3.40 0-1.10
148 0.00 0.00 0-3.50 0-1.10
149 0.00 0.00 0-3.60 0-1.10
150 0.00 0.00 0-3.70 0-1.10
151 0.00 0.00 0-3.80 0-1.10
152 0.00 0.00 0-3.90 0-1.10
153 0.00 0.00 0-4.00 0-1.10
154 0.00 0.00 0-4.10 0-1.10
155 0.00 0.00 0-4.20 0-1.10
156 0.00 0.00 0-4.30 0-1.10
157 0.00 0.00 0-4.40 0-1.10
158 0.00 0.00 0-4.50 0-1.10
159 0.00 0.00 0-4.60 0-1.10
160 0.00 0.00 0-4.70 0-1.10
161 0.00 0.00 0-4.80 0-1.10
162 0.00 0.00 0-4.90 0-1.10
163 0.00 0.00 0-5.00 0-1.10
164 0.00 0.00 0-5.10 0-1.10
165 0.00 0.00 0-5.20 0-1.10
166 0.00 0.00 0-5.30 0-1.10
167 0.00 0.00 0-5.40 0-1.10
168 0.00 0.00 0-5.50 0-1.10
169 0.00 0.00 0-5.60 0-1.10
170 0.00 0.00 0-5.70 0-1.10
171 0.00 0.00 0-5.80 0-1.10
172 0.00 0.00 0-5.90 0-1.10
173 0.00 0.00 0-6.00 0-1.10
174 0.00 0.00 0-6.10 0-1.10
175 0.00 0.00 0-6.20 0-1.10
176 0.00 0.00 0-6.30 0-1.10
177 0.00 0.00 0-6.40 0-1.10
178 0.00 0.00 0-6.50 0-1.10
179 0.00 0.00 0-6.60 0-1.10
180 0.00 0.00 0-6.70 0-1.10
181 0.00 0.00 0-6.80 0-1.10
182 0.00 0.00 0-6.90 0-1.10
183 0.00 0.00 0-7.00 0-1.10
184 0.00 0.00 0-7.10 0-1.10
185 0.00 0.00 0-7.20 0-1.10
186 0.00 0.00 0-7.30 0-1.10
187 0.00 0.00 0-7.40 0-1.10
188 0.00 0.00 0-7.50 0-1.10
189 0.00 0.00 0-7.60 0-1.10
190 0.00 0.00 0-7.70 0-1.10
191 0.00 0.00 0-7.80 0-1.10
192 0.00 0.00 0-7.90 0-1.10
193 0.00 0.00 0-8.00 0-1.10
194 0.00 0.00 0-8.10 0-1.10
195 0.00 0.00 0-8.20 0-1.10
196 0.00 0.00 0-8.30 0-1.10
197 0.00 0.00 0-8.40 0-1.10
198 0.00 0.00 0-8.50 0-1.10
199 0.00 0.00 0-8.60 0-1.10
200 0.00 0.00 0-8.70 0-1.10
201 0.00 0.00 0-8.80 0-1.10
202 0.00 0.00 0-8.90 0-1.10
203 0.00 0.00 0-9.00 0-1.10
204 0.00 0.00 0-9.10 0-1.10
205 0.00 0.00 0-9.20 0-1.10
206 0.00 0.00 0-9.30 0-1.10
207 0.00 0.00 0-9.40 0-1.10
208 0.00 0.00 0-9.50 0-1.10
209 0.00 0.00 0-9.60 0-1.10
210 0.00 0.00 0-9.70 0-1.10
211 0.00 0.00 0-9.80 0-1.10
212 0.00 0.00 0-9.90 0-1.10
213 0.00 0.00 0-10.00 0-1.10
214 0.00 0.00 0-10.10 0-1.10
215 0.00 0.00 0-10.20 0-1.10
216 0.00 0.00 0-10.30 0-1.10
217 0.00 0.00 0-10.40 0-1.10
218 0.00 0.00 0-10.50 0-1.10
219 0.00 0.00 0-10.60 0-1.10
220 0.00 0.00 0-10.70 0-1.10
221 0.00 0.00 0-10.80 0-1.10
222 0.00 0.00 0-10.90 0-1.10
223 0.00 0.00 0-11.00 0-1.10
224 0.00 0.00 0-11.10 0-1.10
225 0.00 0.00 0-11.20 0-1.10
226 0.00 0.00 0-11.30 0-1.10
227 0.00 0.00 0-11.40 0-1.10
228 0.00 0.00 0-11.50 0-1.10
229 0.00 0.00 0-11.60 0-1.10
230 0.00 0.00 0-11.70 0-1.10
231 0.00 0.00 0-11.80 0-1.10
232 0.00 0.00 0-11.90 0-1.10
233 0.00 0.00 0-12.00 0-1.10
234 0.00 0.00 0-12.10 0-1.10
235 0.00 0.00 0-12.20 0-1.10
236 0.00 0.00 0-12.30 0-1.10
237 0.00 0.00 0-12.40 0-1.10
238 0.00 0.00 0-12.50 0-1.10
239 0.00 0.00 0-12.60 0-1.10
240 0.00 0.00 0-12.70 0-1.10
241 0.00 0.00 0-12.80 0-1.10
242 0.00 0.00 0-12.90 0-1.10
243 0.00 0.00 0-13.00 0-1.10
244 0.00 0.00 0-13.10 0-1.10
245 0.00 0.00 0-13.20 0-1.10
246 0.00 0.00 0-13.30 0-1.10
247 0.00 0.00 0-13.40 0-1.10
248 0.00 0.00 0-13.50 0-1.10
249 0.00 0.00 0-13.60 0-1.10
250 0.00 0.00 0-13.70 0-1.10
251 0.00 0.00 0-13.80 0-1.10
252 0.00 0.00 0-13.90 0-1.10
253 0.00 0.00 0-14.00 0-1.10
254 0.00 0.00 0-14.10 0-1.10
255 0.00 0.00 0-14.20 0-1.10
256 0.00 0.00 0-14.30 0-1.10
257 0.00 0.00 0-14.40 0-1.10
258 0.00 0.00 0-14.50 0-1.10
259 0.00 0.00 0-14.60 0-1.10
260 0.00 0.00 0-14.70 0-1.10
261 0.00 0.00 0-14.80 0-1.10
262 0.00 0.00 0-14.90 0-1.10
263 0.00 0.00 0-15.00 0-1.10
264 0.00 0.00 0-15.10 0-1.10
265 0.00 0.00 0-15.20 0-1.10
266 0.00 0.00 0-15.30 0-1.10
267 0.00 0.00 0-15.40 0-1.10
268 0.00 0.00 0-15.50 0-1.10
269 0.00 0.00 0-15.60 0-1.10
270 0.00 0.00 0-15.70 0-1.10
271 0.00 0.00 0-15.80 0-1.10
272 0.00 0.00 0-15.90 0-1.10
273 0.00 0.00 0-16.00 0-1.10
274 0.00 0.00 0-16.10 0-1.10
275 0.00 0.00 0-16.20 0-1.10
276 0.00 0.00 0-16.30 0-1.10
277 0.00 0.00 0-16.40 0-1.10
278 0.00 0.00 0-16.50 0-1.10
279 0.00 0.00 0-16.60 0-1.10
280 0.00 0.00 0-16.70 0-1.10
281 0.00 0.00 0-16.80 0-1.10
282 0.00 0.00 0-16.90 0-1.10
283 0.00 0.00 0-17.00 0-1.10
284 0.00 0.00 0-17.10 0-1.10
285 0.00 0.00 0-17.20 0-1.10
286 0.00 0.00 0-17.30 0-1.10
287 0.00 0.00 0-17.40 0-1.10
288 0.00 0.00 0-17.50 0-1.10
289 0.00 0.00 0-17.60 0-1.10
290 0.00 0.00 0-17.70 0-1.10
291 0.00 0.00 0-17.80 0-1.10
292 0.00 0.00 0-17.90 0-1.10
293 0.00 0.00 0-18.00 0-1.10
294 0.00 0.00 0-18.10 0-1.10
295 0.00 0.00 0-18.20 0-1.10
296 0.00 0.00 0-18.30 0-1.10
297 0.00 0.00 0-18.40 0-1.10
298 0.00 0.00 0-18.50 0-1.10
299 0.00 0.00 0-18.60 0-1.10
300 0.00 0.00 0-18.70 0-1.10
301 0.00 0.00 0-18.80 0-1.10
302 0.00 0.00 0-18.90 0-1.10
303 0.00 0.00 0-19.00 0-1.10
304 0.00 0.00 0-19.10 0-1.10
305 0.00 0.00 0-19.20 0-1.10
306 0.00 0.00 0-19.30 0-1.10
307 0.00 0.00 0-19.40 0-1.10
308 0.00 0.00 0-19.50 0-1.10
309 0.00 0.00 0-19.60 0-1.10
310 0.00 0.00 0-19.70 0-1.10
311 0.00 0.00 0-19.80 0-1.10
312 0.00 0.00 0-19.90 0-1.10
313 0.00 0.00 0-20.00 0-1.10
314 0.00 0.00 0-20.10 0-1.10
315 0.00 0.00 0-20.20 0-1.10
316 0.00 0.00 0-20.30 0-1.10
317 0.00 0.00 0-20.40 0-1.10
318 0.00 0.00 0-20.50 0-1.10
319 0.00 0.00 0-20.60 0-1.10
320 0.00 0.00 0-20.70 0-1.10
321 0.00 0.00 0-20.80 0-1.10
322 0.00 0.00 0-20.90 0-1.10
323 0.00 0.00 0-21.00 0-1.10
324 0.00 0.00 0-21.10 0-1.10
325 0.00 0.00 0-21.20 0-1.10
326 0.00 0.00 0-21.30 0-1.10
327 0.00 0.00 0-21.40 0-1.10
328 0.00 0.00 0-21.50 0-1.10
329 0.00 0.00 0-21.60 0-1.10
330 0.00 0.00 0-21.70 0-1.10
331 0.00 0.00 0-21.80 0-1.10
332 0.00 0.00 0-21.90 0-1.10
333 0.00 0.00 0-22.00 0-1.10
334 0.00 0.00 0-22.10 0-1.10
335 0.00 0.00 0-22.20 0-1.10
336 0.00 0.00 0-22.30 0-1.10
337 0.00 0.00 0-22.40 0-1.10
338 0.00 0.00 0-22.50 0-1.10
339 0.00 0.00 0-22.60 0-1.10
340 0.00 0.00 0-22.70 0-1.10
341 0.00 0.00 0-22.80 0-1.10
342 0.00 0.00 0-22.90 0-1.10
343 0.00 0.00 0-23.00 0-1.10
344 0.00 0.00 0-23.10 0-1.10
345 0.00 0.00 0-23.20 0-1.10
346 0.00 0.00 0-23.30 0-1.10
347 0.00 0.00 0-23.40 0-1.10
348 0.00 0.00 0-23.50 0-1.10
349 0.00 0.00 0-23.60 0-1.10
350 0.00 0.00 0-23.70 0-1.10
351 0.00 0.00 0-23.80 0-1.10
352 0.00 0.00 0-23.90 0-1.10
353 0.00 0.00 0-24.00 0-1.10
354 0.00 0.00 0-24.10 0-1.10
355 0.00 0.00 0-24.20 0-1.10
356 0.00 0.00 0-24.30 0-1.10
357 0.00 0.00 0-24.40 0-1.10
358 0.00 0.00 0-24.50 0-1.10
359 0.00 0.00 0-24.60 0-1.10
360 0.00 0.00 0-24.70 0-1.10
361 0.00 0.00 0-24.80 0-1.10
362 0.00 0.00 0-24.90 0-1.10
363 0.00 0.00 0-25.00 0-1.10
364 0.00 0.00 0-25.10 0-1.10
365 0.00 0.00 0-25.20 0-1.10
366 0.00 0.00 0-25.30 0-1.10
367 0.00 0.00 0-25.40 0-1.10
368 0.00 0.00 0-25.50 0-1.10
369 0.00 0.00 0-25.60 0-1.10
370 0.00 0.00 0-25.70 0-1.10
371 0.00 0.00 0-25.80 0-1.10
372 0.00 0.00 0-25.90 0-1.10
373 0.00 0.00 0-26.00 0-1.10
374 0.00 0.00 0-26.10 0-1.10
375 0.00 0.00 0-26.20 0-1.10
376 0.00 0.00 0-26.30 0-1.10
377 0.00 0.00 0-26.40 0-1.10
378 0.00 0.00 0-26.50 0-1.10
379 0.00 0.00 0-26.60 0-1.10
380 0.00 0.00 0-26.70 0-1.10
381 0.00 0.00 0-26.80 0-1.10
382 0.00 0.00 0-26.90 0-1.10
383 0.00 0.00 0-27.00 0-1.10
384 0.00 0.00 0-27.10 0-1.10
385 0.00 0.00 0-27.20 0-1.10
386 0.00 0.00 0-27.30 0-1.10
387 0.00 0.00 0-27.40 0-1.10
388 0.00 0.00 0-27.50 0-1.10
389 0.00 0.00 0-27.60 0-1.10
390 0.00 0.00 0-27.70 0-1.10
391 0.00 0.00 0-27.80 0-1.10
392 0.00 0.00 0-27.90 0-1.10
393 0.00 0.00 0-28.00 0-1.10
394 0.00 0.00 0-28.10 0-1.10
395 0.00 0.00 0-28.20 0-1.10
396 0.00 0.00 0-28.30 0-1.10
397 0.00 0.00 0-28.40 0-1.10
398 0.00 0.00 0-28.50 0-1.10
399 0.00 0.00 0-28.60 0-1.10
400 0.00 0.00 0-28.70 0-1.10
401 0.00 0.00 0-28.80 0-1.10
402 0.00 0.00 0-28.90 0-1.10
403 0.00 0.00 0-29.00 0-1.10
404 0.00 0.00 0-29.10 0-1.10
405 0.00 0.00 0-29.20 0-1.10
406 0.00 0.00 0-29.30 0-1.10
407 0.00 0.00 0-29.40 0-1.10
408 0.00 0.00 0-29.50 0-1.10
409 0.00 0.00 0-29.60 0-1.10
410 0.00 0.00 0-29.70 0-1.10
411 0.00 0.00 0-29.80 0-1.10
412 0.00 0.00 0-29.90 0-1.10
413 0.00 0.00 0-30.00 0-1.10
414 0.00 0.00 0-30.10 0-1.10
415 0.00 0.00 0-30.20 0-1.10
416 0.00 0.00 0-30.30 0-1.10
417 0.00 0.00 0-30.40 0-1.10
418 0.00 0.00 0-30.50 0-1.10
419 0.00 0.00 0-30.60 0-1.10
420 0.00 0.00 0-30.70 0-1.10
421 0.00 0.00 0-30.80 0-1.10
422 0.00 0.00 0-30.90 0-1.10
423 0.00 0.00 0-31.00 0-1.10
424 0.00 0.00 0-31.10 0-1.10
425 0.00 0.00 0-31.20 0-1.10
426 0.00 0.00 0-31.30 0-1.10
427 0.00 0.00 0-31.40 0-1.10
428 0.00 0.00 0-31.50 0-1.10
429 0.00 0.00 0-31.60 0-1.10
430 0.00 0.00 0-31.70 0-1.10
431 0.00 0.00 0-31.80 0-1.10
432 0.00 0.00 0-31.90 0-1.10
433 0.00 0.00 0-32.00 0-1.10
434 0.00 0.00 0-32.10 0-1.10
435 0.00 0.00 0-32.20 0-1.10
436 0.00 0.00 0-32.30 0-1.10
437 0.00 0.00 0-32.40 0-1.10
438 0.00 0.00 0-32.50 0-1.10
439 0.00 0.00 0-32.60 0-1.10
440 0.00 0.00 0-32.70 0-1.10
441 0.00 0.00 0-32.80 0-1.10
442 0.00 0.00 0-32.90 0-1.10
443 0.00 0.00 0-33.00 0-1.10
444 0.00 0.00 0-33.10 0-1.10
445 0.00 0.00 0-33.20 0-1.10
446 0.00 0.00 0-33.30 0-1.10
447 0.00 0.00 0-33.40 0-1.10
448 0.00 0.00 0-33.50 0-1.10
449 0.00 0.00 0-33.60 0-1.10
450 0.00 0.00 0-33.70 0-1.10
451 0.00 0.00 0-33.80 0-1.10
452 0.00 0.00 0-33.90 0-1.10
453 0.00 0.00 0-34.00 0-1.10
454 0.00 0.00 0-34.10 0-1.10
455 0.00 0.00 0-34.20 0-1.10
456 0.00 0.00 0-34.30 0-1.10
457 0.00 0.00 0-34.40 0-1.10
458 0.00 0.00 0-34.50 0-1.10
459 0.00 0.00 0-34.60 0-1.10
460 0.00 0.00 0-34.70 0-1.10
461 0.00 0.00 0-34.80 0-1.10
462 0.00 0.00 0-34.90 0-1.10
463 0.00 0.00 0-35.00 0-1.10
464 0.00 0.00 0-35.10 0-1.10
465 0.00 0.00 0-35.20 0-1.10
466 0.00 0.00 0-35.30 0-1.10
467 0.00 0.00 0-35.40 0-1.10
468 0.00 0.00 0-35.50 0-1.10
469 0.00 0.00 0-35.60 0-1.10
470 0.00 0.00 0-35.70 0-1.10
471 0.00 0.00 0-35.80 0-1.10
472 0.00 0.00 0-35.90 0-1.10
473 0.00 0.00 0-36.00 0-1.10
474 0.00 0.00 0-36.10 0-1.10
475 0.00 0.00 0-36.20 0-1.10
476 0.00 0.00 0-36.30 0-1.10
477 0.00 0.00 0-36.40 0-1.10
478 0.00 0.00 0-36.50 0-1.10
479 0.00 0.00 0-36.60 0-1.10
480 0.00 0.00 0-36.70 0-1.10
481 0.00 0.00 0-36.80 0-1.10
482 0.00 0.00 0-36.90 0-1.10
483 0.00 0.00 0-37.00 0-1.10
484 0.00 0.00 0-

Whitbread PLC 7 1/4% Uns Ln Stk 05/99 - £100 1/4 3/4
Whitbread PLC 8% Uns Ln Stk 07/2001 -

2
Feb 9 11
Wed 5p
CS.3
2nd Pri
300
03

60

55
ad Pri
- 60.00
- 20.15
3.7
550

mental $\frac{1}{2}$ 2 1 6

Banking
sector
switch

311

17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

side
d.
ed in

it.

83
88

1)

branch

HCE

THE

1990

[illegible]

15

1. NAME
 2. ADDRESS
 3. CITY
 4. STATE
 5. ZIP
 6. PHONE
 7. DATE
 8. TIME
 9. BY
 10. TO
 11. FROM
 12. REMARKS
 13. INITIALS
 14. SIGNATURE
 15. DATE
 16. TIME
 17. BY
 18. TO
 19. FROM
 20. REMARKS
 21. INITIALS
 22. SIGNATURE
 23. DATE
 24. TIME
 25. BY
 26. TO
 27. FROM
 28. REMARKS
 29. INITIALS
 30. SIGNATURE
 31. DATE
 32. TIME
 33. BY
 34. TO
 35. FROM
 36. REMARKS
 37. INITIALS
 38. SIGNATURE
 39. DATE
 40. TIME
 41. BY
 42. TO
 43. FROM
 44. REMARKS
 45. INITIALS
 46. SIGNATURE
 47. DATE
 48. TIME
 49. BY
 50. TO
 51. FROM
 52. REMARKS
 53. INITIALS
 54. SIGNATURE
 55. DATE
 56. TIME
 57. BY
 58. TO
 59. FROM
 60. REMARKS
 61. INITIALS
 62. SIGNATURE
 63. DATE
 64. TIME
 65. BY
 66. TO
 67. FROM
 68. REMARKS
 69. INITIALS
 70. SIGNATURE
 71. DATE
 72. TIME
 73. BY
 74. TO
 75. FROM
 76. REMARKS
 77. INITIALS
 78. SIGNATURE
 79. DATE
 80. TIME
 81. BY
 82. TO
 83. FROM
 84. REMARKS
 85. INITIALS
 86. SIGNATURE
 87. DATE
 88. TIME
 89. BY
 90. TO
 91. FROM
 92. REMARKS
 93. INITIALS
 94. SIGNATURE
 95. DATE
 96. TIME
 97. BY
 98. TO
 99. FROM
 100. REMARKS
 101. INITIALS
 102. SIGNATURE
 103. DATE
 104. TIME
 105. BY
 106. TO
 107. FROM
 108. REMARKS
 109. INITIALS
 110. SIGNATURE
 111. DATE
 112. TIME
 113. BY
 114. TO
 115. FROM
 116. REMARKS
 117. INITIALS
 118. SIGNATURE
 119. DATE
 120. TIME
 121. BY
 122. TO
 123. FROM
 124. REMARKS
 125. INITIALS
 126. SIGNATURE
 127. DATE
 128. TIME
 129. BY
 130. TO
 131. FROM
 132. REMARKS
 133. INITIALS
 134. SIGNATURE
 135. DATE
 136. TIME
 137. BY
 138. TO
 139. FROM
 140. REMARKS
 141. INITIALS
 142. SIGNATURE
 143. DATE
 144. TIME
 145. BY
 146. TO
 147. FROM
 148. REMARKS
 149. INITIALS
 150. SIGNATURE
 151. DATE
 152. TIME
 153. BY
 154. TO
 155. FROM
 156. REMARKS
 157. INITIALS
 158. SIGNATURE
 159. DATE
 160. TIME
 161. BY
 162. TO
 163. FROM
 164. REMARKS
 165. INITIALS
 166. SIGNATURE
 167. DATE
 168. TIME
 169. BY
 170. TO
 171. FROM
 172. REMARKS
 173. INITIALS
 174. SIGNATURE
 175. DATE
 176. TIME
 177. BY
 178. TO
 179. FROM
 180. REMARKS
 181. INITIALS
 182. SIGNATURE
 183. DATE
 184. TIME
 185. BY
 186. TO
 187. FROM
 188. REMARKS
 189. INITIALS
 190. SIGNATURE
 191. DATE
 192. TIME
 193. BY
 194. TO
 195. FROM
 196. REMARKS
 197. INITIALS
 198. SIGNATURE
 199. DATE
 200. TIME
 201. BY
 202. TO
 203. FROM
 204. REMARKS
 205. INITIALS
 206. SIGNATURE
 207. DATE
 208. TIME
 209. BY
 210. TO
 211. FROM
 212. REMARKS
 213. INITIALS
 214. SIGNATURE
 215. DATE
 216. TIME
 217. BY
 218. TO
 219. FROM
 220. REMARKS
 221. INITIALS
 222. SIGNATURE
 223. DATE
 224. TIME
 225. BY
 226. TO
 227. FROM
 228. REMARKS
 229. INITIALS
 230. SIGNATURE
 231. DATE
 232. TIME
 233. BY
 234. TO
 235. FROM
 236. REMARKS
 237. INITIALS
 238. SIGNATURE
 239. DATE
 240. TIME
 241. BY
 242. TO
 243. FROM
 244. REMARKS
 245. INITIALS
 246. SIGNATURE
 247. DATE
 248. TIME
 249. BY
 250. TO
 251. FROM
 252. REMARKS
 253. INITIALS

100

[illegible]

LONDON STOCK EXCHANGE

Seaq problems distort weak market

By Terry Byland,
UK Stock Market Editor

A DIFFICULT week on the UK stock market came to an unhappy close yesterday when nervousness over the outlook for US markets was compounded by problems with the Stock Exchange electronic reporting system. Share price quotations, and therefore calculations of market indices, were "indicative only" from 9.45am to 2.00pm, causing postponement of the expiry of the November FT-SE Traded Option and considerable disruption to trading.

Technical mishaps tended to mask the market's increasingly concern over reports that the Organisation

Account Dealing Dates			
First Dealing	Nov 10	Nov 20	
Options Expiry	Nov 11	Nov 25	Dec 10
Second Dealing	Nov 12	Nov 26	Dec 11
Account Days	Nov 22	Dec 6	Dec 20

These dates change may take place from two business days notice.

for Economic Cooperation and Development had called for a two point rise in US interest rates. Weakness in US bonds unsettled sentiment in London at the close of business.

At 3.10pm, the FT-SE index, down 17.5 on the day, was above the worst. But traders agreed that the period of more than four hours without firm screen price quotations had

cast doubt on the reliability of the final picture. The FT-SE Mid 250 index, more closely linked to direct telephone negotiations on share prices, continued to advance, gaining 2.8 to 3,455.3. Seaq volume totalled 514.4m shares, down from 706.3m in the previous session.

Share prices were easier from the market opening and by the end of the session, the Footsie had retained less than nine points of the week's gain.

"The stock market has achieved very little over a week that brought excellent news on domestic inflation and employment as well as the success of the NAFTA vote in the US," said the head dealer at one leading securities house.

FT-SE All-Share Index



The government bond market had a quiet session, however, making little response to the late weakness in US Fed-

eral bonds. Short-dated gilts eased back a touch but hopes for a base rate cut were not seriously challenged. The longer end also closed a shade easier as the market digested this week's flow of economic data.

Uncertainty in the US bond market, quickly reflected in a fall of 11 Dow points on Wall Street during London hours, brought falls across the range of US-influenced stocks. While losses were mostly small, there was little joy among pharmaceuticals, oils and the conglomerates.

Domestic stocks, which benefited earlier in the week from the improved October Retail price index, were also lacking supporters yesterday.

TRADING VOLUME IN MAJOR STOCKS

Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
FT-SE 100	1,000,000	1,000,000	FT-SE 250	500,000	500,000	FT-SE Mid 250	250,000	250,000	250,000
FT-SE 100	1,000,000	1,000,000	FT-SE 250	500,000	500,000	FT-SE Mid 250	250,000	250,000	250,000
FT-SE 100	1,000,000	1,000,000	FT-SE 250	500,000	500,000	FT-SE Mid 250	250,000	250,000	250,000
FT-SE 100	1,000,000	1,000,000	FT-SE 250	500,000	500,000	FT-SE Mid 250	250,000	250,000	250,000

Banking
sector
switch

TURNOVER in the banks sector of the market was given a substantial boost by a series of big switching operations involving Abbey National and Lloyds Bank.

The switch involved heavy selling of Lloyds Bank and buying of Abbey National with institutions said to have been keen on buying Abbey because of its defensive qualities and a perceived pick up in the UK housing market.

The market was said to have been happy to accommodate the selling pressure in Lloyds because of follow through buying interest in the bank triggered by the recent bullish note on the bank published by BZW.

By the close, Abbey shares were only marginally up at 40p but easily outperformed a generally easier bank sector and a notably weak FT-SE 100 index. Turnover in Abbey reached 2.7m Lloyds Bank, sustained by BZW's positive stance, held at 50p with turnover, an above-average 4.5m.

coming out of ICI contrasts with that of BOC and Courtauld - the steadily improving trend appears to be still there. UBS was also said to be recommending the stock. The shares had risen 1/2 to 340 1/2 late on Thursday and picked up 10 in London to 360p yesterday.

Meanwhile, BOC rallied 6 to 618p after a sharp slide earlier in the week. Courtauld recovered 3 to 433p.

SmithKline easier
Pharmaceuticals group SmithKline Beecham fell sharply after US brokerages Wertheim Schroder published a critical piece of research on the company which contained a "strong sell" recommendation.

Analyst Dr Jonathan Gelles said: "I think the main concern we have is a judgment that the consensus forecasts for the portfolio of new products are unachievable. We are particularly concerned about the company's anti-arthritis drug, Relafen."

Dr Gelles cut his pre-tax forecast for 1994 by about 50m to £1.1bn and slashed his earnings per share estimate by 5 per cent to 25.9p. He believes

SmithKline 'A' shares could fall to 300p. The shares fell 22 at worst but marketmakers said another US house, Alex Brown, had issued a buy note and the stock recovered to close 9 lower at 402p on good turnover of 6.4m shares.

The weakness affected other leading pharmaceuticals sector stocks. Glaxo fell 6 to 643p and Wellcome 15 to 135p.

Hanson avoided the weakness within the market, closing marginally firmer at 281p. TSB dropped to 214p, depressed by one marketmaker cutting what was viewed around the market as a bad book in the stock, but later stabilised to close 4 1/2 at 215p on heavy turnover of 2.5p after another broker house moved in to pick up what is said was cheap stock.

Some big switching out of HSBC 75p stock into the HSBC 10 stock saw the 75p close 5 higher at 783p on 5.7m and the HSBC 10s settle 6 firmer at 749p on 3.2m.

The market was said to have been dismayed with new business figures released by Prudential whose shares fell 6 to 330p.

A fresh bout of straight selling pressure and switching operations, triggered by last week's disappointing third quarter figures left General Accident a further 10 off at 661p. Commercial Union were on the buy side of the switch but nevertheless closed 3 off at 507p after turnover of 1.6m.

News that British Gas would make an important market announcement at 12.30pm yesterday triggered a nervous 45 minutes for dealers in the company's shares.

In the event the news, detailing the sale of Gas's 85 per cent stake in Consumers Gas of Toronto and other interests in Alberta, for around £615m, prompted signs of relief around the City's trading desks but no real action in the shares.

They settled a further 3 1/2 off at 321 1/2p after unremarkable turnover of 7.5m shares. The fall in the stock was attributed, according to an anonymous source, to a follow-through of selling after Gas's disappointing figures released on Thursday. The Canadian sale was described by one analyst as "a strategic U-turn."

Container group Tiphook rose 19 to 83p after announcing that it had agreed outline terms for the cash sale of its core container division to Transamerica Corp. The proposed purchase price is \$830m less associated debt, which will not exceed £119m to be assumed by Transamerica.

Plans for new ownership rules are expected to be unveiled soon, which could lead to a bout of takeovers among ITV network broadcasters. The department of Heritage disappointed those who had hoped for an announcement yesterday on media ownership rules. However, Anglia Television rose 8 to 425p, LWT (Holdings) 4 to 500p, and Central Independent Television 27 to 265p. Carlton Communications improved 5 to 780p.

The flotation of Garmore, the investment management group and one of the leading fund managers in the UK, proved a disappointment. The shares, offered and placed at 168p, slipped back in early trading but later rallied to close at 170p on 11m shares.

Ross Group, importer and manufacturer of electrical and electronic products, slumped 6 to 16p after announcing that trading conditions last month were worse than expected.

Office furniture distributor Black Arrow fell 2 to 31p after announcing interim profits of only £346,000 down from £1.55m last time and a halved dividend of 0.5p.

MARKET REPORTERS:
Christopher Price,
Peter John,
Steve Thompson.

For other statistics, Page 11

CHIEF PRICE CHANGES YESTERDAY

London (Pence)	Tipton	63	+	18
Amber Roy	58	+	4	
Burtonwood	182	+	7	
Falco	158	+	6	
Redish	29	+	6	
HIV	91	+	6	
Luncheon	136 1/2	+	5	
Lyons	45	+	8	
RPC	158	+	5	
Satellite's A	1000	+	50	

at 321 1/2p after unremarkable turnover of 7.5m shares. The fall in the stock was attributed, according to an anonymous source, to a follow-through of selling after Gas's disappointing figures released on Thursday. The Canadian sale was described by one analyst as "a strategic U-turn."

Container group Tiphook rose 19 to 83p after announcing that it had agreed outline terms for the cash sale of its core container division to Transamerica Corp. The proposed purchase price is \$830m less associated debt, which will not exceed £119m to be assumed by Transamerica.

Plans for new ownership rules are expected to be unveiled soon, which could lead to a bout of takeovers among ITV network broadcasters. The department of Heritage disappointed those who had hoped for an announcement yesterday on media ownership rules. However, Anglia Television rose 8 to 425p, LWT (Holdings) 4 to 500p, and Central Independent Television 27 to 265p. Carlton Communications improved 5 to 780p.

The flotation of Garmore, the investment management group and one of the leading fund managers in the UK, proved a disappointment. The shares, offered and placed at 168p, slipped back in early trading but later rallied to close at 170p on 11m shares.

Ross Group, importer and manufacturer of electrical and electronic products, slumped 6 to 16p after announcing that trading conditions last month were worse than expected.

Office furniture distributor Black Arrow fell 2 to 31p after announcing interim profits of only £346,000 down from £1.55m last time and a halved dividend of 0.5p.

MARKET REPORTERS:
Christopher Price,
Peter John,
Steve Thompson.

For other statistics, Page 11

EQUITY FUTURES AND OPTIONS TRADING

Expiry of the November Footsie Traded Option, due at 10.30, had to be postponed until 2.30, to the anger and dismay of traders who had to try to engineer their closing positions without knowing where the market was standing.

"An absolute mess. Fred Karno's circus," commented one leading house.

The December contract on the FT-SE index had a similarly disruptive session, closing finally at 3,111, a premium of only about 3 points over cash and at a discount to the estimated Fair Value premium of 6 1/2 points. Volume was good, with nearly 12,000 contracts traded, although arbitrageurs had difficulty in completing trades.

FINANCIAL TIMES EQUITY INDICES

Index	Nov 19	Nov 10	Nov 17	Nov 18	Nov 19	Year	High	Low
Ordinary share	257.6	237.1	238.6	234.7	236.4	235.3	241.2	214.7
Div. inc. yield	3.56	3.53	3.53	3.56	3.53	3.53	3.52	3.52
Earning yield %	4.22	4.57	4.60	4.83	4.82	6.33	6.38	4.47
P/E ratio	27.11	27.29	27.23	27.04	27.11	20.13	28.30	18.40
Div. yield %	25.11	25.28	25.14	25.08	25.14	25.14	25.14	25.14
Gold Mines	245.3	245.6	245.2	245.9	245.3	243.2	245.3	245.3

Nov 1993. Ordinary share index since inception: high 241.2 (31/05/93); low 214.7 (26/04/90). Div. yield: high 3.56 (15/05/93); low 3.52 (31/05/93). Base: Ordinary share 1/7/93, Gold Mines 1/7/93.

FT-SE Indices hourly changes

Index	Nov 19	Nov 10	Nov 17	Nov 18	Nov 19	Year	High	Low
FT-SE 100	2363.7	2363.9	2364.5	2370.3	2368.9	2360.9	2368.9	2357.5
FT-SE 250	3455.3	3455.3	3455.3	3455.3	3455.3	3455.3	3455.3	3455.3
FT-SE Mid 250	215.0	215.0	215.0	215.0	215.0	215.0	215.0	215.0

London report and latest share index. Tel. 0851 123001. Calls charged at 36p/min. cheap rate, 45p at all other times.

FT-A INDICES LEADERS AND LAGGARDS

Index	Nov 19	Nov 10	Nov 17	Nov 18	Nov 19	Year	High	Low
Gold Mines Index	245.3	245.6	245.2	245.9	245.3	243.2	245.3	245.3
Property	70.30	70.30	70.30	70.30	70.30	70.30	70.30	70.30
Engineering-Aerospace	59.56	59.56	59.56	59.56	59.56	59.56	59.56	59.56
Metals & Metal Forming	42.12	42.12	42.12	42.12	42.12	42.12	42.12	42.12
Engineering-General	38.45	38.45	38.45	38.45	38.45	38.45	38.45	38.45
Electronics	37.83	37.83	37.83	37.83	37.83	37.83	37.83	37.83
Water	37.15	37.15	37.15	37.15	37.15	37.15	37.15	37.15
Food	35.28	35.28	35.28	35.28	35.28	35.28	35.28	35.28
Investment Trusts	29.77	29.77	29.77	29.77	29.77	29.77	29.77	29.77
FT-SE Smallcap	28.92	28.92	28.92	28.92	28.92	28.92	28.92	28.92
FT-SE Mid 250 ex Inv Tr	28.92	28.92	28.92	28.92	28.92	28.92	28.92	28.92
Metals	21.91	21.91	21.91	21.91	21.91	21.91	21.91	21.91
Oil & Gas	21.22	21.22	21.22	21.22	21.22	21.22	21.22	21.22
Capital Goods	20.89	20.89	20.89	20.89	20.89	20.89	20.89	20.89
FT-SE 100	20.89	20.89	20.89	20.89	20.89	20.89	20.89	20.89
Telecommunications	20.51	20.51	20.51	20.51	20.51	20.51	20.51	20.51
Engineering-General	20.17	20.17	20.17	20.17	20.17	20.17	20.17	20.17
FT-SE Mid 250 ex Inv Tr	20.09	20.09	20.09	20.09	20.09	20.09	20.09	20.09
Media	19.41	19.41	19.41	19.41	19.41	19.41	19.41	19.41
Chemicals	18.28	18.28	18.28	18.28	18.28	18.28	18.28	18.28
Transport	17.81	17.81	17.81	17.81	17.81	17.81	17.81	17.81

Percentage changes since December 31 1992 based on Friday November 18 1993

BENCHMARK GOVERNMENT BONDS

Coupon	Red Date	Price	Change	Yield	Week	Month
9.000	08/03	119.2241	-1.278	6.77	6.87	6.50
6.000	03/03	114.5500	-0.300	6.84	6.97	7.16
7.500	12/03	104.0000	-0.250	6.83	6.90	6.95
8.000	05/03	111.5000	-0.030	6.34	6.43	6.38
5.750	11/08	101.8168	-0.131	5.32	5.40	5.40
6.000	08/03	105.7700	-0.120	6.88	6.95	6.58
6.000	09/03	101.4500	-0.115	5.80	5.87	5.84
10.000	08/03	103.3800	-0.320	8.00	8.41	8.94
No 118	08/09	104.9895	-0.172	2.93	2.98	3.15
No 157	08/03	101.9447	-0.273	3.53	3.54	3.73
7.000	02/03	108.3200	-0.040	5.77	5.83	5.90
10.000	08/03	115.5500	-0.250	8.47	8.65	8.46
7.250	03/08	104.21	-0.122	6.02	6.08	6.08
8.000	08/03	109.00	-0.022	6.88	6.97	6.74
8.000	10/08	118.01	-0.022	7.03	7.11	7.07
5.750	08/03	99.10	-0.022	5.82	5.89	5.84
6.250	08/03	98.29	-0.022	6.33	6.50	6.24
6.000	04/03	111.5100	-0.120	6.34	6.45	6.35

London closing. *Services New York morning session. † Gross annual yield (including withholding tax at 12.5 per cent payable by non-residents). Prices US, UK in \$/c, others in p/c.

Hourly movements

Index	Open	10.00	11.00	12.00	13.00	14.00	15.00	16.00	Close	High/Low
FT-SE 100	3120.8	3111.7	3111.5	3113.4	3118.7	3117.8	3110.2	3108.6	3108.0	3120.8
FT-SE Mid 250	3455.0	3455.0	3455.0	3455.1	3455.4	3455.0	3455.2	3455.2	3455.3	3455.7
FT-SE 250	1550.2	1550.2	1550.4	1551.1	1553.2	1552.9	1550.0	1548.5	1549.2	1554.0

FT-SE Actuaries 350 Industry Basket

Index	Open	10.00	11.00	12.00	13.00	14.00	15.00	16.00	Close	High/Low
Consent	1853.8	1852.6	1852.2	1853.5	1855.4	1853.3	1855.4	1856.4	1854.7	1855.0
Health&H	1078.0	1077.0	1077.0	1077.2	1078.2	1078.2	1078.2	1078.2	1078.2	1078.2
Water	1496.1	1496.1	1496.1	1496.1	1496.1	1496.1	1496.1	1496.1	1496.1	1496.1
Stocks	2022.6	2022.6	2022.6	2022.6	2022.6	2022.6	2022.6	2022.6	2022.6	2022.6

Equity section of group

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

[illegible][illegible][illegible][illegible]

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

to proceed. Electricité de France, to

FINANCIAL TIMES WEEKEND NOVEMBER 20/NOVEMBER 21 1993

(חוק ט)

187	-4
231	-4
238	-3
27	+30
144	-3
144	-3
136	-3
131	-2
127	-2
120	-2
126	-2
128	-2
94.50	-1.50
184	-4
163	+1
370	-4
371	-4
104	-4
140	-2
138	-1
62	-1
428	-1
422	-1
<hr/>	
Pts.	+-
184	+7
528	-
333	+3
2,450	-20
1,000	-6
8	-
3,345	+23
515	-
515	+2
778	+2
3,385	+8
1,000	+8
940	+10
2,440	-
835	-5
640	-4
750	+5
142	-2
891	-5
892	-5
1,818	+10
1,187	-
110	+1

	Round	+/-
205	9.25	+2
10	17	+1
1,000	100	+1
10,000	101	+2
1,000	100	+2
1,001	101	+2
1,002	102	+2
3,765	113	+2
3,500	45	+3
3,805	3.75	+3
1,000	25	+3
782	25	+3
475	45	+3
225	25	+3
242	25	+3
780	100	+3
1,310	100	+3
790	100	+3
1,640	100	+3

95	-06
74	-05
25.30	-
73	+20
1.85	+20
30.25	+18
40	-
71	+1
20.50	-
50.80	+58
36	+30
30.80	+35
1.85	+35
67.25	-30
87.50	-
1.45	+5
122.80	-75
33.80	-25
14.80	-
24.80	+10
392.00	+28
1.75	+25
1.85	-
68.45	+1
<hr/>	
Average	+57
10.30	+55
2.78	-28
2.78	-28
3.95	+13
12.76	-71
5.05	-12
3.28	-34
2.47	-12
2.80	-50
3.10	-50
1.32	-21
1.45	-31
2.65	+05
2.97	+01
6.95	-
1.52	-07
4.03	-02
7.30	-02
3.43	-05
4.13	+08
6.48	+10
9.32	+01
3.40	+01
1.77	+02
3.10	-

0	-14	
5.61	+0.01	
7.9800	+0.01	
2.53		
4.41	-19	
4.51	+0.01	
3.72	-0.04	
<hr/>		
WUKS	-0.01	
9.7000	-30	
30		
12.29	-10	
33.50		
33.50	-30	
33.50		
20.90	-10	
17.89	+70	
3.20	-30	
6.25		
33.25	-05	
33.25		
33.25	-30	
14.5000	+30	
10.20		
33.50	-15	
34.25		
19.30	-20	
70.30	-40	
33.50	-12	
29.40	-30	
70.20	-40	
30.50		
3.20	-30	
10.75	-25	
21.80	-30	
2	-40	
0	+30	
33.20	-20	
33.20	-70	
70		

0.80	-70
0.80	-25
	-1
2.70	-38
78	-38
0	-10
42	-70
1.80	-20
40	-10
1.80	-
7.40	-
1.80	-20
2.80	-40
1.90	-40
<hr/>	
78	+40
54	+72
5.50	-70
7.70	+20
90	+12
70	+48
35	+12
10	-35
<hr/>	
	+40
5	+10
20	-
50	+50
2	-04
5	-05
5	-
40	+10
50	+10
0	-20
100	-20

8	+ .02
6	+ .05
2	+ .04
5	+ .20

... ..
... ..
... ..

100

... ..

ikkei avera

In the Ukraine, unable and Electricité de France, told me:

WORLD STOCK MARKETS

AMERICA

Further rise in bond yields hits Dow

Wall Street

ANOTHER big rise in bond yields pushed US share prices lower across the board yesterday morning, writes Patrick Harverton in New York.

At 1 p.m., the Dow Jones Industrial Average was down 10.34 at 3,675.00. The more broadly based Standard & Poor's 500 was lower at 461.86, while the Nasdaq composite was down 1.40 at 488.15, and the Nasdaq composite of 1.41 at 762.08. Trading volume on the NYSE was 187m shares by 1 p.m.

US stock markets ended a difficult week on a downbeat

note. Although fear that the House of Representatives would reject NAFTA gave way to relief at its comfortable passage on Wednesday night, the steady rise in long-term interest rates meant that any celebration was short-lived.

Once again bond prices were in retreat. This time it was a combination of economic news - rising imports and exports in September widened the monthly trade deficit to \$10.9bn - and heavy selling of Treasury-bond futures that undermined bonds. By early afternoon the benchmark 30-year bond was down well over a point, and the yield was up to 6.34 per cent, the highest

level since mid-August.

The rise in bond yields upset stocks, which had posted steady declines throughout the morning. At one stage, under the additional pressure of technical selling related to the expiration of stock and stock index futures and options, the Dow was almost 30 points lower and remained firmly rooted in negative territory by early afternoon.

Several leading Dow constituents posted big declines: United Technologies fell 2 1/2% to \$82 1/2, Caterpillar dropped \$1 to \$84 1/2, McDonalds fell 1 1/4% to \$51 1/2 and IBM gave up 3/4% at \$51 1/2.

Bank stocks were under

pressure because of rising long-term interest rates. Citicorp fell \$1 to \$34 1/2, JP Morgan gave up 3/4% at \$69 1/2, Chemical fell \$1 to \$38 1/2, and Wells Fargo slipped \$1 1/2 to \$115 1/2.

Chewron, which fell sharply on Thursday on the news that Pennzoil had sold almost half its stake in the company, rebounded 3 1/2% to \$89 1/2.

General Mills fell 1 1/4% to \$61 1/2 after the breaking house, Dean Witter Reynolds, cut its earnings estimate, citing the intense competitive environment in the food industry.

In spite of the markets' weakness the retailer, Talbots, made a successful debut. Floated at \$19.50 a share, the

stock was trading at \$23 1/2 in volume of 6m shares by early afternoon.

On the Nasdaq market, Orinda Healthcorp fell 3/4% to \$13 1/2 after saying that it would merge with American Healthcare Management, up 3/4% at \$7 1/2, in a deal valued at \$400m.

Canada

TORONTO was relatively flat in aggregate in quiet midday trade, with gains in gold issues offset by losses in communications and transportation.

The TSE 300 composite index was up 2.44 at 4,237.18 in turnover of 36.1m shares valued at C\$472.90m.

Mexico looks deeper into Nafta prospects

Damian Fraser sees a varied effect on companies

The North American Free Trade Agreement should boost Mexican equity values over the long run, but not all companies stand to gain from the pact.

Since the beginning of November, when investors began to conclude that Nafta's passage was probable, the bolso has gained about 8 per cent. Yesterday the market was nearly 1 per cent off at mid-session at 2,146.

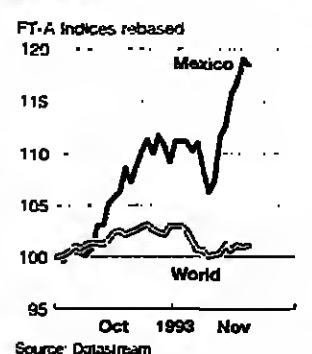
The market rose strongly in the run-up to the vote, largely because Nafta is expected to lift the economy. The agreement should attract capital, lower interest rates, and raise economic growth. Mr Jay Peloski, of Morgan Stanley, reckons that the agreement should add 1 percentage point to Mexico's economic growth rate in the long run.

The agreement also makes the risk of a sudden reversal in economic policy less likely, and may lead to a partial closing of valuation differences between Mexico and the US, as Mexico is considered more mature, and less like an emerging market. Mr Jorge Mariscal of Goldman Sachs reckons that the current market pie of about 12, excluding Telcel, should soon rise to about 15.

US investors may be more comfortable about investing in Mexico with the trade pact in place. "There will be bucketfuls of US institutional money coming into the market as Mexico becomes part of the North American economy," predicts Mr Javier Muñoz de Baena, head of LMB, the Mexican equity managers. US institutions, says Morgan Stanley, currently invest less than 1 per cent of their money in all emerging markets combined.

However, some stocks may be hurt from the treaty's passage. The trade pact is likely to strengthen the peso, squeezing companies exposed to international trade. That bodes ill for names like Vitro, the glass maker, Cydsa, the petrochemicals group, and Alfa, the steel maker, which have already suffered from the steady apprecia-

Mexico



Source: Datastream

wages began to recover in dollar terms.

Most brokers say that the best corporate bets under the treaty will be protected or well-placed to face domestic competition, and in a market which will outgrow the economy. Companies expected to benefit most from higher domestic economic growth include those in the consumer and retail sector, such as Femsa, the soft drinks company and Cifra, the supermarket chain; services, such as Telcel; construction and cement companies, like Cemex and ICA, and banks, including Banamex and Bancomer. In general, earnings of these companies rise by more than the increase in economic growth.

Lower interest rates will help groups which have taken on debt to finance expansion,

such as Aeromexico, the air line, Televisa, the giant media concern, Cemex, and ICA, and Alfa. While much of the debt is in dollars, the likely strengthening of the peso will reduce interest payments in peso terms.

The banks are particularly sensitive to lower interest rates, since loan growth would increase and defaults fall, as financing costs come down. Mr Douglas Campbell of the brokers DA Campbell, strongly recommends both Banamex and Bancomer, and believes the banks' poor loan quality will soon improve.

Standard & Poor's, the US credit rating agency, says approval of Nafta could enable Mexico to be given investment grade status on foreign debt as early as next year, and several Mexican companies could then expect their credit rating to improve. Investment grade will help construction companies, such as Telcel and ICA, to securitise toll roads, and finance other huge infrastructure projects.

Over the long term the reduction of investment and trade barriers will reduce profit margins in all Mexican industries. Nafta gradually opens up the service sector to foreign investment, and in industries where margins are abnormally high (such as banks and telephones), new foreign competition is likely.

Fears of competition in the telephone sector have kept Telcel shares at a discount to the market. Under Telcel's concession, profitable long distance and international telephone calls will be opened up to foreign competition after August 1995.

In many cases foreigners will buy into or form strategic alliances with existing companies rather than start new ones afresh. This has already happened in the retail sector, in consumer goods, in telephones and in media. Baring Securities reckons more such agreements might be expected under Nafta.

EUROPE

Stockholm follows US chop for Ericsson

TRANSATLANTIC relationships, and the attraction of them came in for a hammering in Sweden yesterday, writes Our Markets Staff.

STOCKHOLM dropped 2.6 per cent in heavy trading as US disappointment with Ericsson on Thursday night brought the B shares down SKr6, or 13.3 per cent to SKr356.

Turnover was SKr1.76bn, up from SKr1.76bn, and SKr1.76bn of yesterday's business was done in Ericsson B alone. The telecommunications group forecast that profits would "be somewhat more than double" this year.

Ericsson brought most shares down along with it but investor, the Wallenberg holding company which takes in the Saab-Scania industrial interests, fell SKr6 to SKr147 on a slump in nine-month profits, while good Thursday progress reports from Skandia, and Volvo, saw the insurer, and the carmaker up SKr2 at SKr184, and SKr1 at SKr423.

FRANKFURT extended Thursday afternoon's downturn, the DAX index closing 5.23 lower at 2,077.37 on the session, still 3.1 per cent higher on the week, and trailing off in the post-bourse where it finished at an intra-indicated 2,072.13.

Turnover rose from DM5.1bn to DM9.1bn. Mr Nigel Longley,

FT-SE Actuaries Share Indices		THE EUROPEAN SERIES	
November 19	November 18	November 19	November 18
FT-SE Actuaries 100	1362.34	1361.84	1361.84
FT-SE Actuaries 200	1421.91	1422.26	1422.26
FT-SE Actuaries 300	1367.62	1367.62	1367.62
FT-SE Actuaries 400	1422.11	1422.11	1422.11

See table 1000 (20/11/93) for details. Source: FT-SE Actuaries

an institutional adviser at Commerzbank in Frankfurt, said that a number of "end investors" - institutions, rather than traders - were scared away by yesterday's options expiry, which can make prices volatile.

There was some profit-taking Porsche, higher on the dollar earlier this week, lost DM20 to DM170.50 and Kambor, which had seen a bounce in the Alcatel shares hit a day's high of FT141.50 before falling back to FT140.50.

The CBS Tendency index lost 0.3 to 137.2, a week's gain of 1.3 per cent, as options related volatility affected trading in the afternoon.

PARIS found little incentive in the CAC-40 index closed down 4.44 at 2,145.23, up 2.3 per cent on the week.

Turnover was some FRF3.3bn.

Zoete Wedd Research said yesterday that revenue estimates for the company's Betasoren multiple sclerosis treatment may not live up to expectations.

AMSTERDAM kept a watchful eye on KLM after it was reported that the airline was to meet with the government last night. There were suggestions in the market that this might signal a buy-back through the Alcatel talks and the airline's shares hit a day's high of FT141.50 before falling back to FT140.50.

The CBS Tendency index lost 0.3 to 137.2, a week's gain of 1.3 per cent, as options related volatility affected trading in the afternoon.

PARIS found little incentive in the CAC-40 index closed down 4.44 at 2,145.23, up 2.3 per cent on the week.

Turnover was some FRF3.3bn.

LVMH remained in the news, the shares up FRF30 at FRF3,800, as the group announced a re-organisation of its champagne division.

News of a sharp decline in Ericsson was claimed to have depressed sentiment in Alcatel Alsthom, a competitor in the telecommunications sector, with the shares seeing a low of FRF74 before closing off FRF75 at FRF75.

BRUSSELS fell back after recent record gains as some investors decided it was an opportunity to take profits ahead of the weekend. The BEL-20 index shed 3.03 to 1,405.8 in turnover of BF2.8bn. Solvay lost BF225 to BF214.175.

HELSINKI noted a sharp fall in Nokia as the effects of Ericsson's results spilled over into the market. The Hex index fell 17.0 to 1,555.9, down 1.5 per cent on the week, with Nokia down FM22 at FM209.

Written and edited by William Cochrane and John Pitt.

cent higher on the week.

One share that mattered, Nissan Iberica, remained suspended as the carmaker's Japanese parent said it was proposing to buy out the near-30 per cent minority in its loss-making Spanish unit. The most active stock of the day was Iberdrola, at Pt385, up Pt13 after strength in the utilities sector earlier in the week.

BRUSSELS fell back after recent record gains as some investors decided it was an opportunity to take profits ahead of the weekend. The BEL-20 index shed 3.03 to 1,405.8 in turnover of BF2.8bn. Solvay lost BF225 to BF214.175.

HELSINKI noted a sharp fall in Nokia as the effects of Ericsson's results spilled over into the market. The Hex index fell 17.0 to 1,555.9, down 1.5 per cent on the week, with Nokia down FM22 at FM209.

Written and edited by William Cochrane and John Pitt.

SOUTH AFRICA INDUSTRIAL shares extended their gains and the index finished up 46 at 4,901, for a week's rise of 6 per cent. The gold rose 7 to 1,528 and the overall index 34 to 4,239.

SAB shed 75 cents to R72.50.

ASIA PACIFIC

Nikkei average closes below 18,000 level

Tokyo

A FAIL in the futures index prompted heavy arbitrage selling, and the Nikkei average lost 1.2 per cent, closing below the 18,000 level for the first time since March 1992, writes Patrick Harverton in Tokyo.

The 225-issue index closed down 225.13 at the day's low of 17,941.19, having risen to a high of 18,377.19 in the afternoon on reports that the finance ministry was planning to securitise bank loans and create a secondary market. The Nikkei has fallen 3 per cent over the week.

The Tokyo index of all first section stocks shed 11.73 to 1,539.59, and in London the FTSE/Nikkei 50 index 0.79 to 1,235.04. Volume was 260m shares with losers exceeding gainers by 712 to 251, and 183 issues unchanged.

Mr Alan Livsey, strategist at Kleinwort Benson, said that trading patterns were becoming increasingly similar to that of summer last year when the market tumbled to a six year

low. "Poor sentiment, technical selling, and the lack of positive news from financial authorities is just not helping."

Reports that the ministry of finance planned to create a market for securitised bank loans failed to help bank stocks. Dai-ichi Kangaro Bank fell Y10 to Y2,270 and Fuji Bank lost Y30 to Y2,250.

Foreign investors sold high-technology issues as Fujitsu lost Y23 to Y96, NEC fell Y19 to Y96 and Matsushita Electric Industrial declined Y20 to Y1,420.

In Osaka, the OSE average lost 143.21 to 20,159.74 in volume of 26.6m shares.

THE region's markets charted different courses yesterday. HONG KONG once again saw a fairly turbulent session, although the Hang Seng index picked up towards the close, finishing down 71.49 at 9,288.94. Over the week the market has lost 4.5 per cent.

Turnover was down to HK\$6.6bn from Thursday's

HK\$8.1bn.

Following Morgan Stanley's midweek downgrade of the market, Nomura's global equities team yesterday came out with a contrary recommendation.

Explaining that recent weakness was a good opportunity to buy, Nomura's strategists raised their weighting to the maximum - from 6 to 8 per cent, against a benchmark of 3 per cent. "The combination of growth, re-rating and weight of money make this an unstoppable bull market which has scarcely begun."

SEOUL continued its hull run with the composite index adding 17.73 to 840.86, for a week's rise of 6 per cent.

Turnover was steady at Won2.40bn.

TAIWAN saw a heavy round of profit-taking in the electronics sector drives the market lower. The weighted index fell 89.80 to 4,226.22, off 1 per cent on the week. Turnover swelled to T\$51.1bn, its highest level since April.

United Microelectronics fell by 7 per cent, closing limit

down at T\$52.00, and helping to drive the sector index down by 4.3 per cent.

KUALA LUMPUR advanced 3 per cent in late trading on a strong rally in Tenaga, the power utility. The composite index rose 24.35 to 854.92, for a week's gain of 1.9 per cent.

Tenaga advanced M\$110 to M\$520 on news that it was to be included in Morgan Stanley's global index from December 2.

AUSTRALIA took a dip downwards on widespread profit-taking and the All Ordinaries index lost 24.8 to 2,083.2, barely changed over the week.

The banking sector took some of the heaviest losses with Westpac off 19 cents at A\$4.1, ANZ 14 cents at A\$4.74, and NAB 12 cents at A\$12.76.

NEW ZEALAND ended a difficult week 4.4 per cent higher, although the NZSE-40 capital index closed down 17.21 at 2,097.22.

LONDON SHARE SERVICE

BRITISH FUNDS

Fund	Price	Yield	1993	1992	1991
British Fund 100	100.00	4.50	100.00	100.00	100.00
British Fund 200	100.00	4.50	100.00	100.00	100.00
British Fund 300	100.00	4.50	100.00	100.00	100.00
British Fund 400	100.00	4.50	100.00	100.00	100.00

BRITISH FUNDS - Cont.

Fund	Price	Yield	1993	1992	1991
British Fund 500	100.00	4.50	100.00	100.00	100.00
British Fund 600	100.00	4.50	100.00	100.00	100.00
British Fund 700	100.00	4.50	100.00	100.00	100.00
British Fund 800	100.00	4.50	100.00	100.00	100.00

BRITISH FUNDS - Cont.

Fund	Price	Yield	1993	1992	1991
British Fund 900	100.00	4.50	100.00	100.00	100.00
British Fund 1000	100.00	4.50	100.00	100.00	100.00
British Fund 1100	100.00	4.50	100.00	100.00	100.00
British Fund 1200	100.00	4.50	100.00	100.00	100.00

OTHER FIXED INTEREST

Fund	Price	Yield	1993	1992	1991
British Fund 1300	100.00	4.50	100.00	100.00	100.00
British Fund 1400	100.00	4.50	100.00	100.00	100.00
British Fund 1500	100.00	4.50	100.00	100.00	100.00
British Fund 1600	100.00	4.50	100.00	100.00	100.00

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY NOVEMBER 18 1993					WEDNESDAY NOVEMBER 17 1993					DOLLAR INDEX	
	US Dollar Index	Day's Change	Point	%	YTD	US Dollar Index	Day's Change	Point	%	YTD	1993	1992
Australia (69)	158.19	+0.2	158.19	0.13	158.02	158.19	+0.2	158.19	0.13	158.02	158.19	158.19
Austria (17)	174.74	+0.6	174.74	0.35	174.39	174.74	+0.6	174.74	0.35	174.39	174.74	174.74
Belgium (42)	153.75	+0.3	153.75	0.20	153.55	153.75	+0.3	153.75	0.20	153.55	153.75	153.75
Canada (107)	132.67	-0.1	132.67	-0.08	132.75	132.67	-0.1	132.67	-0.08	132.75	132.67	132.67
Denmark (26)	236.30	-0.1	236.30	-0.04	236.34	236.30	-0.1	236.30	-0.04	236.34	236.30	236.30
Finland (23)	124.37	+0.2	124.37	0.16	124.21	124.37	+0.2	124.37	0.16	124.21	124.37	124.37
France (88)	185.01	-0.2	185.01	-0.11	185.12	185.01	-0.2	185.01	-0.11	185.12	185.01	185.01
Germany (60)	132.69	+0.2	132.69	0.15	132.54	132.69	+0.2	132.69	0.15	132.54	132.69	132.69
Hong Kong (53)	379.10	-1.9	379.10	-0.50	381.00	379.10	-1.9	379.10	-0.50	381.00	379.10	379.10
India (14)	175.37	+0.2	175.37	0.11	175.26	175.37	+0.2	175.37	0.11	175.26	175.37	175.37
Italy (70)	82.48	+0.6	82.48	0.73	81.84	82.48	+0.6	82.48	0.73	81.84	82.48	82.48
Japan (169)	146.33	+0.8	146.33	0.55	145.47	146.33	+0.8	146.33	0.55	145.47	146.33	146.33
Malaysia (26)	466.80	+0.7	466.80	0.15	466.13	466.80	+0.7	466.80	0.15	466.13	466.80	466.80
Mexico (19)	1984.69	+0.5	1984.69	0.03	1984.20	1984.69	+0.5	1984.69	0.03	1984.20	1984.69	1984.69
Netherlands (26)	190.40	+0.7	190.40	0.37	189.63	190.40	+0.7	190.40	0.37	189.63	190.40	190.40
New Zealand (13)	64.83	+0.1	64.83	0.15	64.68	64.83	+0.1	64.83	0.15	64.68	64.83	64.83
Norway (22)	312.70	-0.4	312.70	-0.13	313.10	312.70	-0.4	312.70	-0.13	313.10	312.70	312.70
Singapore (36)	227.63	+0.3	227.63	0.13	227.30	227.63	+0.3	227.63	0.13	227.30	227.63	227.63
South Africa (10)	198.48	-0.3	198.48	-0.15	198.63	198.48	-0.3	198.48	-0.15	198.63	198.48	198.48
Spain (42)	198.48	-0.3	198.48	-0.15	198.63	198.48	-0.3	198.48	-0.15	198.63	198.48	198.48
Sweden (35)	146.39	+0.1	146.39	0.07	146.32	146.39	+0.1	146.39	0.07	146.32	146.39	146.39
Switzerland (50)	187.04	+0.2	187.04	0.11	186.93	187.04	+0.2	187.04	0.11	186.93	187.04	187.04
United Kingdom (218)	168.72	-0.3	168.72	-0.18	168.90	168.72	-0.3	168.72	-0.18	168.90	168.72	168.72
USA (518)	158.02	+0.2	158.02	0.13	157.89	158.02	+0.2	158.02	0.13	157.89	158.02	158.02
Europe (751)	167.72	-0.2	167.72	-0.12	167.84	167.72	-0.2	167.72	-0.12	167.84	167.72	167.72
Northern (114)	155.04	+0.4	155.04	0.26	154.78	155.04	+0.4	155.04	0.26	154.78	155.04	155.04

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

Company	Price	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595
---------	-------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

tered at the post office. Printed by St. Clements Press for and published by The Clements Press, Ltd., 10, Abchurch Lane, London, E.C. 4.

MARKETS

London

Behind every statistic lurks a pigeon

By Bernard Gray

IN THE never-never land of economic statistics the sun always shines, night ingales sing, inflation is low, unemployment falls, and the economy grows for ever and ever. In the cold, wind-swept, pigeon-infested world of business, however, markets are tough, margins under pressure and the threat of tax increases before Christmas worries industrialists everywhere.

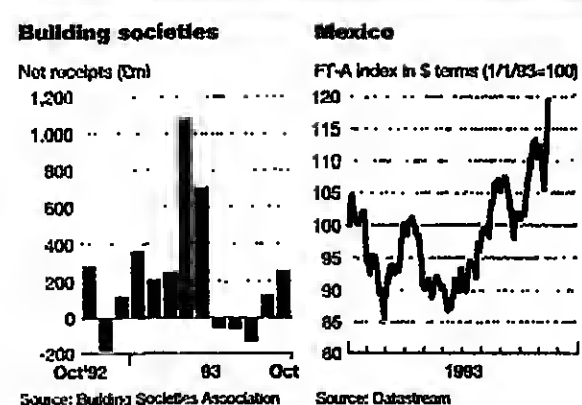
That gulf between the economy on paper and the impressions of people working in it seemed wider than ever this week, particularly in the equity market. To the casual observer who did not trouble to look at the date, this week's economic figures might have been reprinted from the mid-1990s by mistake. Underlying inflation, which had been expected to tick up, fell to a 25-year low on Wednesday. The headline figure fell to a very un-British 1.4 per cent.

The dark side to low inflation is the fear in the market that a weak economy is holding prices down. In spite of the

HIGHLIGHTS OF THE WEEK

	Price y/day	Change on week	1993 High	1993 Low	
FT-SE 100 Index	3108.0	+8.9	3198.0	2737.8	Good inflation news
FT-SE Mid 250 Index	3455.3	+34.2	3547.0	2876.3	Revival in second-liners
Amstrad	391	-12	55	23	Profits warning
BAA	923	+27	941	707	Results/overseas expansion hopes
Cable & Wireless	462	-35	508	334	Hong Kong market slide
Courtaulds	433	-51	608	426	Disappointing results
General Accident	661	-31	741	545	Third quarter figs disappoint
Guinness	448	+22	521	388	MidWest and Capital "buy"
Kalon	180	-12	178	73	Institution sells holding
Marshall	119	+12	125	61	Interim profits up 50%
Racal Electronics	182	-20	261	180	Interim due Dec 2
Tadpole Technology	262	-27	364	168	Director share sales
Tophook	63	-32	382	37	Further profits warning
Vibroplant	86	-13	99	41	Interim profits down 27%
Whitbread A	514	+31	574	435	Figures at top end of range

AT A GLANCE



Building societies attract £258m of net funds

Building societies attracted £258m of net funds last month - just over double the net inflow in September, which ended three months of net outflows. Commenting on the relatively subdued inflow at a time of the year when people traditionally build up savings to finance Christmas spending, Adrian Coles, association director-general, highlighted the stiff competition for retail funds at a time of low interest rates. He said postal savings accounts had been particularly successful in attracting customers.

Boost for Mexican stocks

The US House of Representatives' approval of the North American Free Trade Agreement (Nafta) on Wednesday had been widely anticipated by investors on the Mexican stock market, who expected the agreement to boost Mexico's economy. Shares have risen strongly in recent weeks: the IPC index went to record levels on five successive days in the run-up to the vote, falling off only during Wednesday's session. Trading on Thursday, after news of the expected result, was characterised by alternate strong demand and profit taking. However, in dollar terms the index made only a modest gain on the week. In the longer term, equities are expected to gain.

New fund launched via bond

NIA Financial Management is offering a new fund which can be purchased via its single premium investment bond - Capital Bond Plus. The CGM Haven Fund will invest in a mixture of the zero and income shares of split capital investment trusts, the permanent interest bearing shares (PIBS) issued by building societies, gilts and short term sterling deposits. The aim is to produce a 7 per cent gross yield. Charges are 5 per cent initial and 1 per cent annual.

Ethical portfolio list

Ethical investors can obtain a list giving details of seven fund managers and stockbrokers who manage portfolios with ethical constraints. The list is published by the Ethical Investment Research Service (Eiris, Freeport, London SW8 1BR, Free). Eiris also offers a screening service to private investors to vet stocks along ethical criteria. Eiris is unable to give recommendations or to assess the quality of financial advice.

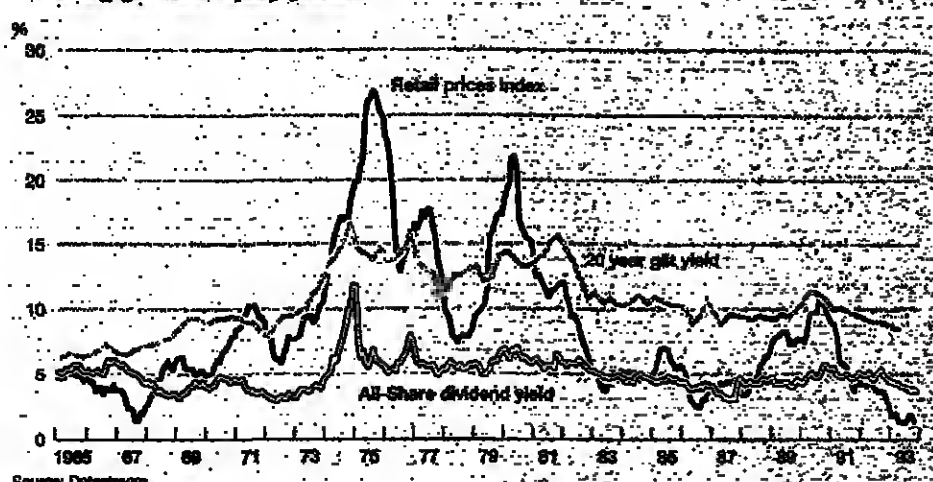
Two new fixed-rate mortgages

Woolwich building society is offering two new fixed-rate mortgages: a seven-year fix at 8.15 per cent and a four-year at 6.99 per cent. The APRs on repayment loans are 8.8 per cent and 7.5 per cent respectively; the mortgage is also available on an endowment, pension plan and Pep basis. The redemption penalty is six months interest on both loans; application fees are £250-£275.

Smaller companies index falls

Small company shares fell once again this week. The Hoare Govett Smaller Companies Index (capital gains version) dropped 0.1 per cent from 1589.06 to 1582.02 over the week to November 18.

Deflating gift and equity yields



knocked at the door of 3m and turned away, the City has been auspicious that special factors were at work. Now it looks as though the reforms of the 1980s really have made the labour market more flexible.

Had you spent the week in chilly Harrogate instead of looking at a City dealing screen things might not have looked so rosy. While taking the waters the Confederation of British Industry rumbled about the dangers of tax increases to the delicate flower of recovery. Retailers have also made much of the potentially destabilising effects of a tax-raising budget in the run up to Christmas.

Still, not all of the depression is special pleading. Companies reporting this week continued the real-world gloom of many recent trading statements. Courtaulds and BOC, which follows

the prescient practice of announcing its dividends a year in advance, was forced to call a halt to its 20-year run of increased payments. It had perhaps run ahead of itself in boom times, but the industrial gases business tends to recover early in the economic cycle. Its shares fell 13p to 618p.

Courtaulds fared even worse with the shares falling by 51p to 433p over the week. In its global businesses the clamp-down on the Chinese economy is encouraging many Asian producers to divert their low cost output to other markets, cutting margins. It will take a substantial upturn in the world economy before the chemicals giant can look for much of an upturn in profits, or dividends.

There was good corporate news, at least for some. Lucas Industries was distinctly perky when it was able to finally announce that it had persuaded George Simpson to become its new chief executive. The lower in the tug-of-war struggle was British Aerospace, which needs Simpson's services so badly that it is going to hang on to him for another six months. As the chairman of Rover he has revolutionised working practices and slashed costs while retaining the loyalty of the workforce. Lucas is looking forward to similar treatment. Since the fact only echoed the rumour, neither share was much affected.

Lord Young, chairman of Cable and Wireless, was also in chipper mood when he reported a 30 per cent increase in half year profits. The figure owed a great deal to the fall in sterling against the dollar, and the shares unenthusiastically

fell by 35p to 462p. But the jewel in the ex-colonial company's crown, Hong Kong Telecom, continues to shine brightly. Not only is business in Asia booming, but the surge on the Hong Kong stock market has boosted the value of C&W's 57 per cent stake. Mercury's new One-2-One cellular service in the UK is also becoming so popular that it could do for electronics retailing this Christmas what video games did in 1992. Dixons apparently wanted 20,000 phones to sell in December, but the manufacturers cannot make them fast enough. Book early to avoid disappointment.

Such upbeat sentiments are, however, rare. The caution of company chairmen about earnings prospects is starting to get through. Fears that the Budget may raise substantial new taxes also overhang the market. Tax-exempt pension funds are concerned that the chancellor may view the tax credit they get with dividend payments as an easy target. Since dividends are only thinly covered, companies could scarcely afford to increase payouts to compensate for the pension funds' loss of income.

Yet if the inflation outlook is really as benign as this week's figures suggest, and growth, at least in the UK, approaches 3 per cent in 1994, the equity market has little to grumble at. The last time that equity yields exceeded inflation for any length of time was during the great bull market of 1966-68 when share prices doubled. Rising inflation and the balance of payments crisis eventually burst that bubble. But this week, even the trade figures were good.

Serious Money

Emerging risks for your portfolio

By Philip Coggan, personal finance editor

EMERGING markets are so fashionable nowadays that a good contrarian is rightly suspicious. When markets are in fashion, they often rise to unsustainable levels, and those who buy at the height of the trend suffer the most.

Certainly, this phrase "emerging markets" seems to guarantee the success of a fund launch at the moment. Fidelity has raised more than \$100m (£67m) for its offshore emerging markets fund since its launch in the middle of October.

Large sums are flowing into emerging markets from the US, where investors are both disenchanted with the returns on cash and concerned with the high valuations placed on US equities. According to Microcap, the 100 largest emerging markets funds grew by over \$7bn in the first six months of the year.

One sign that the trend might be getting feverish came when the Hong Kong market, seen as the gateway to the ultimate emerging market of China, jumped 20 per cent in five weeks. The market has shown signs of running out of steam in the last few days.

Dr Arshad Banerji, who is chief investment officer of Foreign & Colonial Emerging Markets, reckons that some markets are overvalued at present and that "there will be tears" for some investors. But he adds that the overheated markets are only a small subset of emerging markets as a whole, and he believes the long term investment arguments hold good.

The economic case for emerging markets has been highlighted this week by the US House of Representatives' vote in favour of the North American Free Trade Agreement (Nafta) and by the trade talks between the US and the Asian countries in Seattle.

Both indicate the degree of importance the Americans attach to trade with the developing world.

High economic growth rates, the presence of increasingly educated workforces and institutional change in favour of free market capitalism all add weight to the argument for emerging markets investment. - And Dr Banerji points out that, in spite of the recent inflows, institutional investors still have very little exposure to the emerging markets. Estimates of the correct weighting for emerging markets in their portfolios tend to vary between 10 and 30 per cent; most are nowhere near that level.

Nevertheless, private investors should be cautious unless they can take a long-term view. If you can afford to wait at least five years, and possibly ten, then a broadly based emerging markets fund still makes sense for 10-20 per cent of a capital growth portfolio. An extra layer of safety could be added by investing via a savings scheme. But if you are investing on a one or two year view, the risk of a correction in these fashionable markets is too great.

THE UK Equity Income sector may be less exotic than the world of emerging markets, but it remains one of the favourites of private investors. Now that unit trusts are so often bought in the form of Personal Equity Plans, investors will naturally gravitate towards any sector which offers a higher-than-average yield.

But the latest report from Fund Research shows what a difficult year it has been. The average dividend paid by UK companies has fallen by 3.9 per cent. Around 95 per cent of trusts in the sector have been forced to cut their distributions

over the last two years (a notable exception is the M&G Dividend fund, profiled on page 17).

The yield offered by the sector has dropped from 6.2 to 3.8 per cent over the past 12 months, although that mainly reflects the enormous rise in share prices since sterling left the Exchange Rate Mechanism (as share price rises, yields fall and vice versa).

This shift has created a problem for the sector's fund managers. To qualify as an equity income fund, they must produce a yield to investors which is 110 per cent above the All-Share. But this yield is measured after charges and as equity yields have fallen, overcoming the charges hurdle has become more and more difficult. Assuming an All-Share yield of 3.76 per cent, Fund Research calculates that managers would have to invest in a portfolio yielding 5.64 per cent to meet the target.

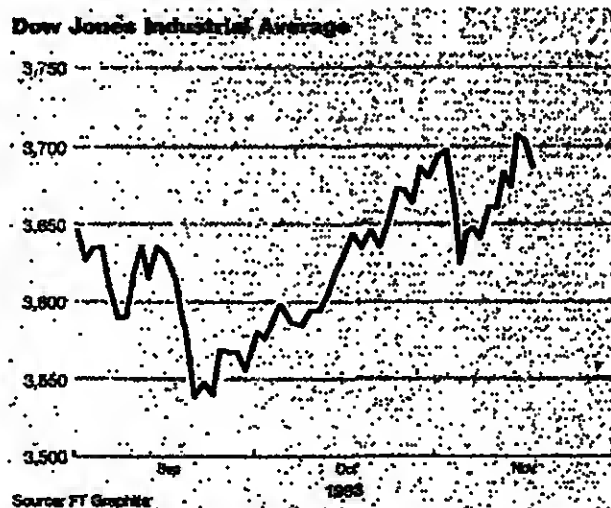
Some managers have attempted to bridge the gap by investing in fixed interest securities and convertibles; others seem to have given up the ghost altogether. Fund Research calculates less than half of the trusts in the sector offer the requisite yield. The Association of Unit Trusts and Investment Funds is re-examining its guidelines, which might ease the pressure on the managers.

There is some good news to report, however. High-yielding shares have performed particularly well since Black Wednesday, and the average trust in the UK equity income sector has outperformed both the All-Share and funds in the UK equity growth sector.

Furthermore, Fund Research feels that, in terms of income, the worst is behind the sector and investors can look forward to resumed growth in distributions, although not at the rate which was achieved in the 1980s.

Wall Street

The bulls intend to go down fighting



pushed long-term interest rates higher. This spooked the stock markets, which worry that higher long-term interest rates will choke off the supply of funds flowing into equities, as well as hinder corporate profitability.

The fact that equity investors are choosing to mostly ignore the signs of an improving economy, and focus instead upon rising interest rates, suggests that the equity markets may be undergoing an important transition.

For the past two and a half years investors have been buying stocks because of declining interest rates. Now that interest rates appear to have bottomed and are heading up again, investors will have to look to corporate profits for inspiration.

At some point - and it has not yet been reached - the stock markets will have to learn to live with higher interest rates, and start drawing strength from the fact that the economy is getting stronger and corporate earnings are improving.

Before they reach that point, however, the markets are going to have to give up some

of the gains they have made. Stocks are just too expensive for the transition from an interest-rate-led market to a profits-led market to be a smooth one. Those analysts who expect a correction are looking for a decline in the Dow in the region of five per cent, or at least well below 3,600.

This may be an overly pessimistic outlook. Consider what happened yesterday. The bond market, in the wake of yet more positive economic news, plunged, pushing bond yields up to 6.35 per cent, their highest level since mid-August.

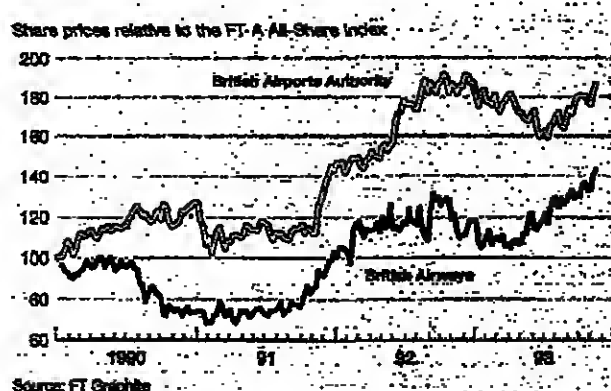
The jump in bond yields hit the stock markets hard, but by midday the Dow was down 20 points and rebounding from its lows, and a good deal of the selling could be put down to trading related to the expiration of stock futures and options. This bull market is not going to end without a fight.

Patrick Harverson

Monday	3677.52	-6.99
Tuesday	3716.77	+53.25
Wednesday	3744.34	+6.42
Thursday	3685.34	-19.01
Friday		

The Bottom Line

Joys of duty-free shopping



slump caused by the combination of the Gulf crisis and the economic recession.

However, the City is divided on which stock is the better bet. For some, BAA is the safer investment in that its income flow is directly related to the increase in passengers using its airports without the competitive risks faced by airlines.

BAA's latest traffic forecasts predict that demand for its seven UK airports will grow at an annual rate of 3.8 per cent up to the end of this century.

Faced with a more stringent regulatory pricing formula for its landing charges, BAA has continued to expand its retailing activities which are turning its airports into large shopping malls. For the first time, retailing has become the company's largest source of income overhauling landing charges.

Sir John Egan, chief executive of BAA, has been travel-

ling to China to discuss airport joint ventures in an air travel market growing at 30 per cent a year. He is also in discussion with airports in continental Europe, especially Rome, where government's are beginning to see in BAA's performance the positive benefits of privatising airports.

"We have shown we can make profits and reduce landing charges as a private concern," Sir John said this week.

But as a quasi-monopoly, BAA's dividend yield remains conservative at 2.2 per cent and its decision this week to

raise the interim payout by 8.6 per cent to 6.76p a share proved somewhat disappointing to the market.

Moreover, the company faces heavy spending in the next years to build the new £500m-£800m fifth terminal at London's Heathrow airport, its star asset, as well as in possible future investments in other international airports. There is a suspicion that the company will launch a rights issue.

BAA's 3.3 per cent dividend yield reflects the greater risks attached to the stock. Although airline shares are not for the faint-hearted - the UK-US air war over BA's ticket codesharing deal with USAir, its US partner, flared again this week; ticket discounting continues; and over-capacity plagues the market - BA is probably in the best position of any international carrier to profit from the overdue cyclical recovery in the business.

While continuing to drive down its cost base (by the end of this year BA will have reduced underlying costs by £500m in the last three years), BA has taken a lead in the industry to form a global network with partners in the US, Australia and Europe.

Sir Colin Marshall, BA's chairman, reported signs of improvement in the airline's two most important markets, the US and the UK, as well as some recent growth in first and business class premium traffic. It also plans to bring fewer new aircraft into service next year and in 1995. BA appears poised to see sustained profit growth. Chris Tarry, Kleinwort Benson's aviation analyst, upgraded his profit forecasts for the airline this week and expects BA to show pre-tax profits of around £300m-£400m in 1996.

All in all, many in the City believe BA could provide risk inclined investors with more attractive rewards than a lower yielding privatised utility such as BAA.

Paul Betts

FINANCE AND THE FAMILY

Investment clubs are coming to Britain. Scheherazade Daneshkhu reports on a new way for investors to pool ideas and money for profit

Savers who are caring, and sharing

THE IDEA is widespread in the US but has never taken off with the same enthusiasm in the UK. This week, however, ProShare, the organisation which aims to promote deeper and wider share ownership, launched ProShare Investment Clubs to inject renewed interest into the concept.

Investment clubs are a way for people who know, like and trust each other to meet regularly in order to make collective stock market investments by pooling knowledge and funds.

The idea is to make direct stock market investment affordable. For example, if 10 individuals can each afford to save up to £20 a month for a stock market investment, it would take at least a year for each to build a worthwhile lump sum to invest. By pooling the amounts, it would only take a few months before entering the market could become viable. People who want to invest, but do not have the confidence to do so on their own, may find being part of a group the answer.

Brokerage costs also account for a smaller proportion of the total investment when compared to the costs of buying and selling 10 separate investments. Moreover, informal

meetings can make investment as enjoyable as any of the more conventional club activities, such as golf or playing bridge.

Sir Peter Thompson, chairman of ProShare, says: "Investment clubs are for everyone - they are a fun, sociable and cost-effective way for the British public to discover the excitement of investing in the stock market. You don't need a fortune, just enthusiasm, a group of friends, business colleagues or acquaintances, a few hours a month and a little surplus cash."

The first investment club was founded in Texas in 1898 but it is the Mutual Investment Club of Detroit, set up in 1940 by Frederic C Russell, an American businessman, which is regarded as the spur to the worldwide investment club movement.

Russell died in 1965 but the investment club he founded, and which has averaged 18 members, is still in existence. Over the years members have subscribed \$300,000 and the club now has a portfolio worth \$2.6m (£1.67m) after withdrawals of \$1.2m.

There are more than 9,000 investment clubs in the US, with a total of 280,000 members, and 15,000 clubs in France. Investment clubs were first launched in the UK in the



late 1940s. Although the National Association of Investment Clubs, established in 1959, helped to create 2,000 investment clubs, the 1987 stock market crash contributed to a fall in numbers to an estimated 600 today, with an average of 12 to 15 in each.

ProShare has taken over the NAIC and relaunched it as ProShare Investment Clubs with membership costing £50. Members will receive a 70-page manual on establishing and running an investment club, a monthly newsletter and the ProShare Guide to Information Sources, a useful directory of places to search for investment

advice.

Membership brings with it automatic registration with ProShare Investment Clubs and allows access to any special offers and discounts as well as a helpline. ProShare is also offering, free, its *Shares for You* video and two copies of its *Guide to You and Your Stockbroker*. Alternatively, the manual can be purchased for £25 and the video will be sent free.

ProShare will not introduce individuals to existing investment clubs. Since money in a club is pooled, trust between members is important and it is unlikely that any club will wel-

come the inclusion of strangers. Instead ProShare recommends that an individual gathers round them like-minded people to form their own club (see the accompanying panel).

One disadvantage of investing through a club is that it is not possible to take advantage of tax-efficient personal equity plans which are for individuals only. However, many investment club members are likely to have investments of their own and can use a *Pep* for these shares. Sir Peter Thompson says if the investment club movement takes off, ProShare will lobby for similar tax advantages to be extended to

club investments.

Barclays stockbrokers has linked up with ProShare to offer investment clubs a share-dealing and administration service. Other brokers are likely to provide a similar service in the near future.

Barclays Investment Club package offers a portfolio service from £12 a quarter (plus VAT) or an advisory service from £30 (plus VAT) a quarter.

The minimum brokerage fees for equities are 1.5 per cent on the first £10,000 in the portfolio service and 1.35 per cent in the advisory service. ■ ProShare: Tel: 0800-556622.

Setting up a club

AN INVESTMENT club is like a DIY unit trust with the members of the club deciding which stocks to invest in collectively.

Tony Drury, managing director of ProShare Investment Clubs, emphasised the importance of setting up the club safely using correct procedures.

ProShare's Investment Clubs manual is a guide to how to do this and contains a draft constitution and draft club rules, suggestions for the agenda for the meetings and Inland Revenue forms.

■ Size
The ideal number of members, according to William Lowe, who used to run the NAIC and is now President of ProShare Investment Clubs, is 15 to 18 - partly because a larger group is likely to result in fewer people having a say in discussions.

ProShare suggests that the club is organised as a partnership, for which the legal maximum is usually 20 people. However, some clubs are happy to be much larger (see below) but should take legal advice about their structure.

■ Where to meet
Although some clubs meet in members' homes, this can be a strain. Since the club is meant to be as much a social affair as a way to invest money, many clubs meet in the back room of a pub or in a hotel or restaurant.

ProShare suggests monthly meetings in a regular pattern, such as the first Monday of each month. At its first meeting, the club should pick a name and elect a chairman, treasurer and secretary.

■ Security of funds
ProShare says it knows of no instances in which a member of an investment club has run off with the funds. It advises registering shares in the name of the nominee company of the club's stockbroker as the most secure way of holding the club's securities.

Since company reports and correspondence will then be sent to the nominee company, the club should arrange with its stockbroker that the mate-

rial is forwarded to it.

Another common method of holding the assets is to appoint two or three members as trustees and register the shares in their name. A club will also need a bank or building society account in which to hold liquid assets. The account should be in the name of the club with cheques requiring the signature of at least two members.

■ Keeping account
ProShare suggests that members probably need about £500 before it is worthwhile making their first stock market investment.

It is up to the club to set the level of contributions and whether these should be collected in a lump sum or on a regular basis. The club should also decide whether it wants to pay out a dividend to members or reinvest the income.

Since members will drop out of the club, or some will want to encash their holdings, it is essential to have an easy method to determine who owns what. The unit valuation system is probably the simplest way to do this.

The club needs to set the initial value of units - £1 is the easiest number. If members contribute £30 each at the first meeting, they will each hold 30 units.

To obtain the value of a unit at any future date, the club's net assets (its investments and cash in hand, minus liabilities) should be divided by the number of units bought by members.

A member will then be able to calculate the value of his or her investment based on the number of units held.

■ Leaving the club
Members should give notice if they want to encash units or leave the club. ProShare suggests that they should be required to give warning of their intention before the next meeting and that the rules of the club should state a maximum period of three months before a payout. Although the payout will often be made much sooner, the 90-day clause should cover the club for the amount of time it might take to pay several members giving notice.

In the mutual interest...

WHEN Peter and Hilary Rost helped set up the Mutual Share Ownership Investment Club in

1962, they wanted to invest more in the stock market than their resources would allow, so pooling money with friends seemed the solution. Now their club is probably the UK's oldest.

Although Peter Rost was a stockbroker, Hilary stresses that it has always been an "amateur club" with a cross-section of members, including farmers, plumbers and housewives. The club is unusually large, with

about 60 members. "We elect a committee which makes the day-to-day decisions and we meet every three months," said Hilary. "We meet more frequently when there is new money to add stocks to the portfolio. About 15-20 people usually attend."

Meetings are held at the Rosts' home in Berkhamsted, Beds. Hilary says it was important to have a lawyer draw up club constitution and

rules. The club has used nominee accounts from inception.

New members either make a lump sum downpayment or monthly contributions using a banker's form. The average monthly payment is £15 to £20. The portfolio is valued at the beginning of each month and the new unit price calculated. Hilary took over this task once the accountant's fees became "ridiculous." It only takes her

only half an hour now that the books are kept on computer.

The portfolio holds five or six stocks which include Eurotunnel, BP, Lonrho, Fleming Chinese Investment Trust and Abtrust's recently launched Emerging Economies Investment Trust. Dividends and profits are reinvested.

Hilary says the main early difficulty was lack of stock market understand-

ing. "Choosing shares was also difficult. We did not, for example, know what distinguished the shares of one food company from another. So we spent a lot of time reading and cutting out articles to discuss at the meetings."

She said: "We outperformed the market until the recession and the portfolio is now worth £65,000 although it has been as much as £100,000. It is great fun - you can be the last of the big spenders and you feel you have a stake in the companies."



FINANCIAL IZVESTIA TALKS BUSINESS TO 300,000 INFLUENTIAL RUSSIANS EVERY THURSDAY.

(So can you by calling +44 71 873 4263)

The Financial Times produces Financial Izvestia, a weekly 8-page business newspaper, in partnership with Izvestia, Russia's leading quality daily.

It is printed on the FT's distinctive pink paper and accompanies Izvestia each Thursday.

As well as covering what's happening in Russia, Financial Izvestia features key international business news and the commodities and currency listings.

It is essential reading for some 300,000 subscribers in the major business areas across the CIS, in particular in and around Moscow, Kazakhstan and the Baltic States.

To find out more about advertising to these influential people, contact Ruth Swanston at the Financial Times in London on +44 71 873 4263. Fax +44 71 873 3428.

FINANCIAL TIMES
LONDON PARIS FRANKFURT NEW YORK TOKYO

FINANCE AND THE FAMILY

How to find forgotten investments

Are you worth a fortune? Bethan Hutton on tracking lost riches

CHAOTIC home filing is a common failing. Investors who sell away money in shares, trusts or building societies may lose vital documents at the bottom of cupboards, or keep them in cardboard boxes. Years later, the papers are rediscovered and the owners wonder whether they could be worth anything - but finding out can be difficult.

Here is a guide to tracking down some of the most commonly forgotten investments.

■ **Insurance-related investments**, for example investment bonds and endowments. Write to the last address you have for the insurer. If the company has moved, appears to have gone bust or merged, you could try writing to the Association of British Insurers, at 51 Gresham Street, London EC2V 7HQ, which has a register of company changes, and should be able to tell you who is now responsible for the policy.

Many people have old insurance policies issued by friendly societies or similar bodies. The Register of Friendly Societies has a telephone inquiry service on 071-497-9992, or write to 15 Great Marlborough Street, London, W1V 2AX.

■ **Building society accounts**. First try writing to the last address you have for the society. Over the years, many societies have merged and may no longer exist under the same name, or have moved headquarters.

If you write to the Building Societies Association, Consumer Affairs Department, 3 Savile Row, London, W1X 1AF, with the details, they should be able to track down which society took over the old business, or give you an up-to-date address.

■ **Investment trusts**. The Association of Investment Trust Companies may help if

you can find no trace of the fund in which you invested, because it has merged, changed names or been wound up. Write to the AITC at Park House, 8th Floor, 16 Finsbury Circus, EC2M 7JJ.

■ **Unit trusts**. The Association of Unit Trusts and Investment Funds has records can help trace your unit trust investment through name changes and mergers. Write to AUIT at 65 Kingsway, London, WC2B 8TD.

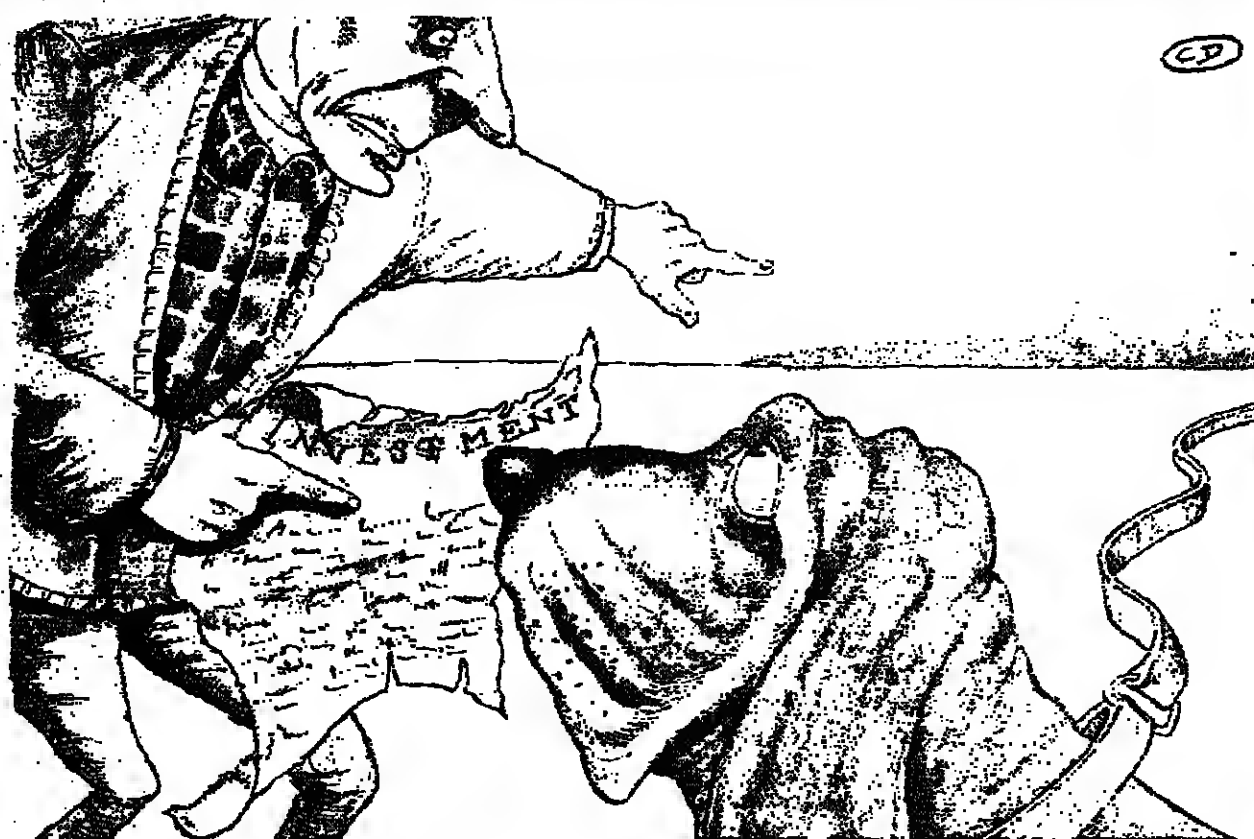
■ **Company shares**. If you discover an old share certificate, check first whether the company's shares are still listed in the FT, then try writing to the last registered address you have on the share certificate.

The next resort is the public library. Until 1989, the Stock Exchange published an annual Register of Defunct and Other Companies which were no longer listed, because of merger or collapse. Since 1989, a supplement to the Stock Exchange Yearbook has updated this annually. Larger libraries should have copies.

Companies House, official repository of company information, has an archive search service for companies registered since 1944. It costs £15 per company. For details, write to Nicola Lynch, Archive Search Service, Room G16, Companies House, Cardiff, CF4 3UZ. Tel: 0222-369928.

If the company failed a long time ago, the share's only value may be as a collector's item - see the information on scrippophily, under bonds.

■ **Premium bonds**. Many people have a sneaking suspicion Ernie has forgotten their holding. If you have moved home, or changed your name without letting National Savings know, there could be an unclaimed prize waiting. Inform National Savings of your changed details, either by returning



your yellow holder's card or sending in a special form obtainable from the post office, and the department will run a check on outstanding winnings.

As at October this year, more than 200,000 prizes, adding up to £11.3m, remained unclaimed 18 months after they were drawn. Otherwise, you could consult the list of all unclaimed prizes dating back to 1967, kept in main post offices. National Savings warns that you would need "a long wet afternoon" to work your way through this bulky document. If a premium bond holder has died, winnings from a draw up to a year after the date of death can be claimed by the estate, with no time limit.

■ **Bonds issued by countries**. In the late 1980s there was a rush to check drawers and files for old bond certificates, as UK, Russia, China, and many eastern block and Latin American countries agreed to redeem old bonds, often dating back to the 1930s or earlier, as a pre-condition for raising new money on the international bond markets. Bonds had to be submitted by fixed deadlines for the holders to receive a portion of their face value. Most countries have gone through this

process and deadlines have passed. One possible exception is the former East Germany.

If you have a bond from a country which you think has not yet come to an arrangement, you could try writing to David Wooten, at the Foreign and Commonwealth Office, Nationality Treaty and Claims Department, Clive House, Petty France, London, SW1 9HD.

If your bonds stand no chance of redemption, they could still be worth something to collectors - known as scrippophiles - who often buy the

more decorative and exotic bonds or shares to frame and hang on their walls. There are specialist dealers and Phillips, the auction house, holds quarterly sales. Rare certificates can fetch thousands of pounds. For advice, write to the Bond and Share Department, Phillips, 101 New Bond Street, London, W1Y 0AS.

■ **Pensions**. If you worked for a company for a few years, even decades ago, you might be entitled to a small pension. Or if you belonged to a personal pension scheme, and lost track of your investment, the

Pension Schemes Registry, run by the Occupational Pensions Board, has a database of 170,000 occupational and personal schemes.

It offers a free tracing service if you provide as much information as possible about the employer's pension scheme's last known name and address. The database goes back to the 1970s, but can often help with entitlements dating back 40 years. The service's success rate is 80 per cent. Write to the Pension Schemes Registry at PO Box 100, Newcastle-upon-Tyne, NE99 1NN.

Warning to fraudsters

FRAUDULENT insurance claims will soon run a greater risk of being detected, as UK insurance companies use computer registers to share information on insurance claims and applicants.

Insurers say that fraudulent claims have more than doubled to the past four years. Fraud now costs insurance companies and their honest policyholders £400m a year. Up to 10 per cent of claims are thought to be bogus.

The new system, called Comprehensive Loss Underwriting Exchange, or CLUE UK, is based on an American prototype. The first register will cover household buildings and contents insurance and will soon be followed by motor and travel insurance.

The registers will have access to three years' information, allowing insurers to check on a new applicant's previous claims history and to cross-check when claims are made to prevent multiple

claims for the same loss under different policies.

CLUE should make it easier to detect cases such as the Gloucestershire businessman who was burgled three times, and each time claimed under two different policies, making a profit.

He was prosecuted, and sentenced to community service as well as paying compensation and costs.

Bethan Hutton

EXETER GEARED ENDOWMENT POLICY

TRUST PLC

ORDINARY SHARE OFFER
SPONSORED BY
TEATHER & GREENWOOD
CORPORATE FINANCE LTD.

TO REGISTER FOR A MINI PROSPECTUS
CONTACT YOUR FINANCIAL ADVISER OR
CALL 071-256 6131 or 0392 5325

EGEPT is a new Investment Trust formed to provide its shareholders with Long Term Capital Growth by investing principally in existing Endowment Policies plus a Share Portfolio of Investment Trust Income Shares.

EGEPT will be managed by Exeter Asset Management Ltd, a member of IMRO. The Trust will have a 15 year life, a prior ranking zero debenture and does not plan to pay dividends.

This advertisement has been approved by Teather & Greenwood Corporate Finance Ltd, a member of the Securities and Futures Authority for the purposes of Section 57 of the Financial Services Act 1986, and is not an invitation to apply for shares. Applications should only be made on the basis of the full prospectus. The value of an investment in EGEPT may fluctuate and investors may not get back the amount originally invested.

CASHING IN YOUR ENDOWMENT?

WE BUY WITH PROFITS ENDOWMENTS AND WHOLE LIFE POLICIES AT SUBSTANTIAL PREMIUMS ABOVE SURRENDER VALUE. THE POLICY MUST HAVE BEEN IN FORCE FOR AT LEAST 7 YEARS. THERE ARE NO HIDDEN FEES.

30% Above Surrender Value Often Paid

FOR AN IMMEDIATE QUOTE CALL OR FAX US WITH THE FOLLOWING INFORMATION:
1 Assurance Company
2 Basic Sum Assured
3 Start Date of Policy
4 Maturity Date of Policy
5 Gross Monthly Premium
6 Total Bonus Attaching
7 Surrender Value
TEL 081-207-1666
FAX 081-207-4950

SECURITISED
ENDOWMENT
CONTRACTS PLC

To Advertise in the Business Opportunities Section

Please Call
Melaine Miles

on 071 873 4780

THE PEP PACKAGE WITH ALL THE RIGHT INGREDIENTS.

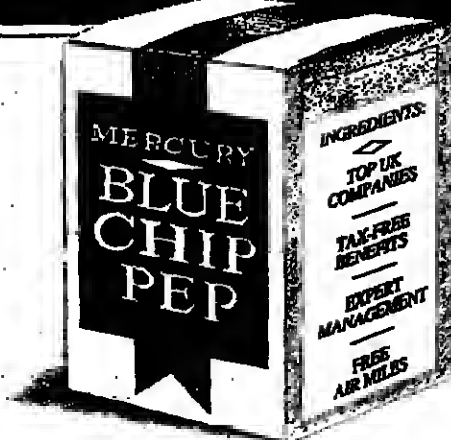
The Mercury Blue Chip PEP gives you access to the growth potential of a tax-free portfolio of equities at the heart of the UK stockmarket.

It invests in the Mercury British Blue Chip Fund - a Fund that aims to reap the benefits of growing economic confidence by combining the investment power of Mercury with the performance power of Britain's best and biggest companies.

UP 99% OVER FIVE YEARS*

The Fund's record speaks for itself. Over five years, it ranks among the top 10% of all funds in its sector.

And so do Mercury's credentials - with over £55 billion under management, on behalf of some 80,000 unit trust investors and over a third of the UK's top 100 companies.



A FREE RETURN TRIP TO PARIS

One more thing. Invest the full £6,000 before December 31st, and we'll give you 600 AIR MILES vouchers - enough for a free return flight to Paris.

For full details, contact your financial adviser or call us FREE on the number below or return the coupon.

FREEPHONE 0800 44 55 22

MERCURY BLUE CHIP PEP

To: Mercury Asset Management plc, FREEPOST, London EC4B 4DQ.
Please send me details of the Mercury Blue Chip PEP. Do you already have a PEP? YES/NO

Surname Initials Mr/Ms/Miss/Ms Title
Address Postcode FT947

MERCURY
BRITAIN'S LEADING INVESTMENT HOUSE

Member of IMRO

Don't forget to fill in this box. We will not disclose your details to Mercury's external advisers and sub-investors or anyone acting on behalf of Mercury and its associated companies. These details may be added to a mailing list to enable you to receive details of the Group's products. If you would prefer not to receive such details, please write to us.

HENDERSON

The Investment Managers

Trust Henderson to pick the winners in Europe

Although Europe is still deep in recession, history suggests that this is precisely the time to invest. ★ At current levels, European

markets offer excellent value to international investors. For example, during September, over 25% of new investment in European stocks came from America. ★ As share prices respond to local and international buying, it becomes increasingly important to identify the stocks that are currently lagging the markets, but have most to gain from a recovery in 1994 and beyond. ★ We believe that now is the time to invest in Europe, and that Henderson TR European Special Situations is the fund to choose. ★ The fund has no geographical, sector or capitalisation constraints, so the manager is free to pick the winners over all of

continental Europe's dozen or more markets.

★ The results speak for themselves - Henderson TR European Special Situations Fund has

consistently delivered top quartile performance.

★ We have been active investors on the Continent since the 1930s and our credentials for managing a special situations fund are excellent. Our European team makes over 500 company visits a year and now manages over £1.1 billion out of total Group funds exceeding £12 billion.

★ For full details of

Henderson TR European Special Situations Fund



Source: Mitrail, offer to bid, net income reinvested to 1.10.93

1% DISCOUNT FOR INVESTMENTS RECEIVED BY 30TH NOVEMBER 1993

CALL FREE



0800 106106

Past performance is not necessarily a guide to the future. The value of investments and the income from them may fall as well as rise and you may not get back the amount you invest. Remember that the tax treatment of PEPs may be changed by future legislation. *Source: Mitrail. Figures 1.11.88-1.11.93. Offer to bid goes into effect 1.12.93. If you had been able to invest in the Mercury Blue Chip PEP five years ago.

To: Henderson Investor Services Department, FREEPOST, PO Box 216, Aylesbury, Bucks HP20 1DD. Please send me details of Henderson TR European Special Situations Fund.

Title Initial(s) Surname

Address

Postcode

Issued by Henderson Unit Trust Management Limited, 3 Finsbury Avenue, London EC2M 2PA. A member of IMRO, LAUTRO and AUITF.

FINANCE AND THE FAMILY

Pensions: knowing the value

Debbie Harrison considers a survey of personal pension providers

WITH more than 100 providers of personal pensions, each offering a plethora of funds, it can appear virtually impossible to judge which offers best value for money. Yet in one of the most rigorous surveys published to date on these products, out of 193 funds, just three emerged with impeccable credentials.

National Mutual, Standard Life and Sun Life proved their mettle in terms of strong, consistent performance combined with a low, flexible charging structure. Two other funds, offered by Rothschild Asset Management and Scottish Widows, were commended. The rest failed on one or more important criteria.

The survey, published by the private client department of consulting actuaries Bacon & Woodrow, is only concerned with unit-linked policies - that is, policies where the unit price is directly linked to the value of the underlying investments. Managed unit-linked funds, which invest in all of the main sectors, were selected as the best measure of the overall skill of the provider's investment team.

The analysis assumed that no commission was paid by the provider, since this is how Bacon & Woodrow conducts business. Where commission would have been paid Bacon & Woodrow negotiated enhanced terms with the provider, so

that more money is invested on the client's behalf.

The screening was conducted in two stages. Stage one analysed investment performance while stage two considered product features and charges. Commenting on performance, Andrew Warwick-Thompson, head of the partnership pensions section of Bacon & Woodrow's private client department and author of the report, said: "The use of past performance statistics in conjunction with a clear understanding of how past performance was achieved, an assessment of the current investment style of a management team and a knowledge of whether the individuals responsible for past performance are still in place, is probably the best guide to future performance."

"The objective of this stage of our analysis is to identify those funds which have achieved consistent good past performance with low volatility. Out of an initial 193 funds listed in the performance statistics provided by FINSTAT, only 153 had five year track records. The survey examined 'percentile' scores where the best performing fund in each quarter scored 100 points and the worst one point.

Test 1 was relatively straightforward and simply excluded those funds whose average percentile score over the period of analysis was 50 or less. Only 78 funds passed.

Personal Pensions survey			
Recurring single premiums			
Years to SIP*	Best company	2nd choice	3rd choice
0-15	Standard Life	National Mutual Life	Standard Life
15-40	National Mutual Life	Standard Life	Standard Life
Regular monthly premiums			
Years to SIP*	Best company	2nd choice	3rd choice
0-5	Standard Life	National Mutual Life	Sun Life
5-10	National Mutual Life	Sun Life	National Mutual Life
10-40	Sun Life	National Mutual Life	National Mutual Life

Sources: Bacon & Woodrow. * Increasing in line with national earnings. * selected retirement date.

Tests 2, 3 and 4, which screened for high performance and low volatility, left just 22 funds in the running after casualties. At this stage 40 extra funds which had three or four year track records were also screened. Only Garmore's Long Term Balanced Fund passed and this was added to the contestants for stage two.

The 16 providers with a total of 22 funds shortlisted on performance criteria for stage two were: Albany Life (Multiple Investment); Cannon Lincoln (Managed SIP); Clerical Medical (Mixed, GMP Mixed; Fidelity FRP Mixed); Commercial Union (Prime Managed); Friends Provident (UK Provident Managed); Garmore (Long Term Balanced); London & Manchester (Balanced, Flexible); National Mutual Life (Managed); NM Life (CCM Vanguard); Norwich Union (Managed, Mixed ULP, Mixed RP); NPI (Managed); Pearl (ULP

Managed SIP, ULP Managed SIP; Prolife (Balanced Growth); Standard Life (Managed, Stock Exchange Managed); Sun Life (Managed); and TSB (Managed).

Funds under £20m were then excluded. "Clients should invest in funds that have the prospect of a realistic degree of diversification and of remaining financially viable without substantial increases in management fees," Warwick-Thompson said.

Other criteria included the requirement that the provider must deal via independent advisers and must be prepared to offer nil commission terms. Policies that imposed penalties on early retirement, or on transfer to another provider were dropped on grounds of inflexibility.

"Our concern is that clients should be able to take a transfer at any time or retire without penalty," Warwick-Thompson explained.

On these criteria the following funds were cut: Cannon Lincoln, Clerical Medical (all three funds), Friends Provident, London & Manchester (Balanced), Norwich Union (Mixed RP and Mixed ULP), NPI, Pearl (both funds) and TSB.

The remaining ten funds were scrutinised on the basis of their charging structures. The "reduction in premium" (RIP) analysis reveals on a consistent basis how much of each premium is absorbed in providers' charges and therefore not invested on behalf of the policyholder.

The only three "Category 1" providers to clear this hurdle were National Mutual Life, Standard Life and Sun Life. Each was checked for financial stability and administration facilities and was given a clean bill of health. National Mutual and Standard Life also received top marks in last year's survey. In Category 2, were Rothschild Asset Management and Scottish Widows, two of last year's top providers.

The rest of the funds will not be recommended by Bacon & Woodrow for the next 12 months. Also out of favour are with-profit funds, which face serious investment problems following over-investment in property, and fixed interest products coupled with excessive bonus payouts between the mid-1990s and 1992.

However, although the survey recommends equity based managed unit-linked funds for

new contributions, existing conventional with-profits policies generally should be left undisturbed, it states.

Clearly, with top providers changing almost on a yearly basis, it is vital to retain the flexibility to take advantage of current best advice. To keep control of the timing and the level of contributions it is wise to opt for a series of one-off single premium policies. If the performance of your chosen fund begins to lag, it is essential to be able to switch to another provider without penalty.

However, Warwick-Thompson stressed that the regular premium policies recommended in the survey would not penalise on switching or early retirement because of the stringent terms arranged by his firm. This is a vital point to check with your adviser before committing yourself to a contract.

Where normal terms are arranged and your adviser results would be very different. For a high earner contributing £15,000 per annum to a personal pension from age 35 to retirement, Warwick-Thompson calculated that total commission payable over the term of the policy expressed in 1993 money terms would be £48,589 and the pension policy at age 60 would be worth £2,589,440.

On a fee basis the cost of the initial consultation and setting up the policy on a nil-commission basis would be about £900 plus VAT and the annual fee for administering contributions would be about £120 plus VAT in 1993 money terms.

Total fees over the term, allowing for inflation and an "opportunity cost" to offset the loss of investment return on the amount paid in fees, would be £6,724 and the pension fund at age 60 would be worth £2,626,029 - a difference of more than £266,000.

*Bacon and Woodrow Personal Pension Survey 1993, price £250, is available from Ali Khan, Bacon & Woodrow, Private Client Department, Bay House, 107 St Peter's Street, St Albans, Herts. AL1 3EW. Tel: 0727-855565.

Directors' Transactions Three sellers at T&B

THREE MEMBERS of the board of T&B, including Sidney Gould, the vice chairman, sold a total of 268,000 shares at 730p.

The shares have been trading between 670p and 760p since January of this year and one of the non-executive directors sold 50,000 shares at 730p in June. Interim results were announced in September and the chairman expected a better year once the recovery in the clothing and west European motor sectors came through. Each director retains a sizeable number of shares.

At Alexander's Holdings, which holds Ford dealerships in the UK, Alexandra Clayton, the chairwoman, bought 4,670,000 shares from T Cowie. This means that T Cowie no longer has a stake and Clayton's holding has been increased to 68 per cent.

In July we noted a large purchase at 25.5p by Paul Kelly in Gardiner Group, the surveillance system company. Since the shares have risen to 32p but have fallen slightly and Jeff Caplan has bought 130,000 shares at 25.5p. Final results are not due until March 1994. The forecast is for growth in excess of 70 per cent.

Colin Rogers, the Inside Track.

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)				
Company	Sector	Shares	Value	No of directors
SALES				
Bentley Corporation	Pack	10,000	36	1
British Vite	Chem	25,000	61	1
Courtauld Textiles	Text	4,000	23	1
Farnell Electronics	Ele	7,514	38	1
Glenchewan	Misc	35,000	11	1
Glenshaw/CrPrnt	BdMe	7,500	11	1
London & Associated	Prop	40,000	15	1
Metro 4	Ele	28,000	177	1
Parliament Group	Misc	33,000	31	1
Provident Fin Grp	OHF	7,500	31	1
PMC Group	BdMe	2,500	20	1
Sphinx - Serco	EngG	5,000	18	1
Standard Chartered	Bank	20,000	210	1
Tibbitt & Britten	Bank	258,000	1,893	3
PURCHASES				
Advent Finance	FdRe	30,000	18	1
Alexander's Holdings	Misc	4,670,000	974	1
Alexandra Workwear	Text	10,000	18	1
Amber Day	Star	50,000	25	1
Graydon Far East	InTr	25,000	33	1
Elliot (B) (CCRP)	EngG	10,000	11	1
Gardiner	BdMe	130,000	39	1
Guinness	Brew	3,128	13	1
Hilldown Holdings	FdMe	20,000	28	1
Int'l Food Machinery	BdMe	70,000	20	1
Mirror Group	Med	25,000	36	1
N Atlantic Small Co	InTr	15,000	69	1
N Capital Partner	InTr	12,000	21	1
TR Pacific Inv Ltd	InTr	7,000	12	1

Values expressed in £000s. This list contains all transactions, including the purchase of options (P) or 100% subsequently sold, with a value over £10,000. R = rand. Information released by the Stock Exchange 8-12 November 1993. Source: Director Ltd, The Inside Track, Edinburgh.

DID YOUR SHARES DO AS WELL IN 1993?

It was a good year for investors. After all, at the recent high the FT-SE 100 Index was up 12.4%. But you could have done very much better. For instance, 268% - the average increase on Techninvest's six nap tips last January.

	Mid-prices (p)		Increase (%)
	1-1-93	1993 High	
AVESCO	19 1/2	120	515.3
ELECTRON HOUSE	43	146	239.5
LASER-SCAN	16	80	275.0
LBMS	127	365	187.4
NORTHAMBER	20	75	275.0
TADPOLE TECH.	118	384	119.2

Of course, past success is no guarantee of future performance.

Published monthly since 1984, Techninvest is the only investment newsletter dedicated to technology shares on the London Market.

The forthcoming January issue will carry the nap choices for 1994. Techninvest subscribers will be exclusively first to receive this information.

If you hurry, you could be one of them. Write immediately for details of introductory discount offer and FREE sample copy of a recent issue. Send name and address (block capitals please) to:

TECHINVEST (FT11), MILL HOUSE, MILLBROOK, NAAS, CO. KILDARE, IRELAND (FW92)

3 UNIT TRUSTS

Unit Trusts are an ideal way to invest in stocks and shares but, with 1,500 unit trusts available, which should you choose?

- M&G makes the choice easy:
- M&G MANAGED INCOME FUND for monthly income.
- M&G RECOVERY FUND for capital growth.
- M&G EUROPEAN DIVIDEND FUND to invest in Europe.

For full details of M&G's offer complete the coupon below and we will send you a full information pack including details of

THE M&G PEP

3 UNIT TRUSTS

Please return this coupon to The M&G Group, M&G House, Victoria Road, Chelmsford CM1 1FB. NO SALESMAN WILL CALL. If you have a financial adviser, you should consult him before investing.

Initials	INITIALS	SURNAME
ADDRESS		
POSTCODE		
KONS		

Or Telephone: (0245) 390900 (Business Hours). Past performance is not necessarily a guide to future performance. The price of units and the income from them may go down as well as up. You may get back less than you invested. For complete details of the M&G PEP, see the prospectus. We will occasionally sell you other products (services) which are not M&G products. Tick the box [] if you would prefer not to receive this information.

THE M&G GROUP

WORLD CLASS EQUITY PERFORMANCE

GLOBAL EQUITY FUND

+37%

OVER ONE YEAR

TOP DECILE SINCE LAUNCH.

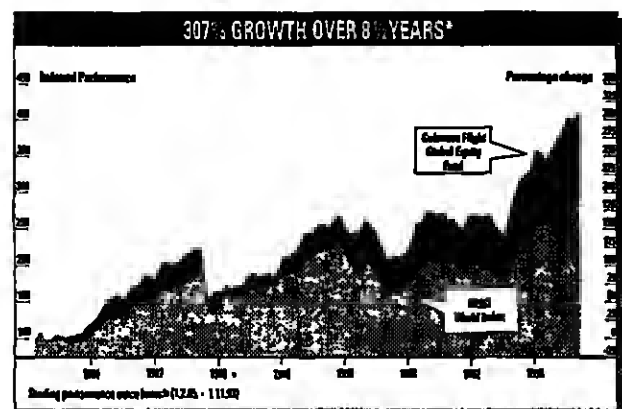
Equity markets have been breaking records all around the world. A reflection of burgeoning economic recovery and of the powerful liquidity flows associated with low interest rates.

The Global Equity Fund managed by Guinness Flight is one of today's leading offshore international funds. Investing in the larger companies listed on the principal stockmarkets, its totally international policy has the objective of producing maximum capital growth. An objective more than achieved in the last year with an increase of 37.3%.

According to Micropal, the fund is now number two in its sector of forty-three offshore international equity funds, since launch in January 1985. A fact which underlines the strength of the Guinness Flight approach to asset allocation and stock selection.

Top Down Discipline.

The Guinness Flight investment process emphasises the importance of interest rates, currency movements and economic and industry cycles on both asset classes and individual securities. Our management style is to take a gradualistic rather than an aggressive high-risk approach to under or over-weighting countries and sectors.



4
5
6
7
8
Years
ST
QUARTILE PERFORMANCE

Consistency.

The fund's evolutionary approach is reflected in the consistency of its performance which is first quartile over 4, 5, 6, 7 and 8 years according to Micropal.

Currency Factors.

Guinness Flight manages the fund's currency exposure completely independently of its share portfolio - a technique known as currency overlay. Whenever Sterling has weakened, this has provided an extra performance boost for UK investors. More generally, this approach has merit because domestic stock markets are frequently stimulated by declines in their respective currencies (as has recently happened in Italy and France).

Current Equity Valuation Levels.

Although, by historic yardsticks, current market ratings are high, we believe that good support is offered by prospective earnings growth as the world economy emerges from the current recession. Currently, we favour the continental European markets, where interest rates have the greatest scope to fall. However, the "tiger" markets of the Far East also continue to perform well and offer exciting fundamentals - as well as the opportunity to share in the long-awaited awakening of China.

The Guinness Flight Global Equity Fund is a share class of the Guinness Flight Global Strategy Fund Limited, one of the largest open ended investment companies (over US\$40 million in size) incorporated in Guernsey. For further details, call Jamie Kilpatrick or André Le Prevost on 0481 712176, or complete the coupon below.

GUINNESS FLIGHT GLOBAL EQUITY FUND

Return to Guinness Flight Fund Managers (Guernsey) Limited, PO Box 250, Guernsey GY1 3QH. Tel: 0481 712176. Fax: 0481 712065. Please send me details of the Guinness Flight Global Equity Fund.

Title	Initials	Name
Address		
Postcode		

* Source: Micropal. All figures offer to offer, gross income reinvested in 1.1.85 in Sterling. Launch date: 25.1.85. Five year performance: 119.3%. The fund is also a Guernsey A1 Authorised Collective Investment Scheme and UK Recognised Collective Investment Scheme under Section 87 of the UK Financial Services Act 1986. Past performance is not necessarily a guide to the future. The value of the investment and the income arising from it may go down as well as up and is not guaranteed. Issued by Guinness Flight Global Asset Management Limited, a member of IMRO and LAMRO. Minimum investment: £5,000/US\$10,000.



1762 83

FINANCE AND THE FAMILY

A problem with banks

Bethan Hutton finds out why foreigners dislike British banks

WHEN foreigners working in Britain swap stories of the commonest gripes is not the weather, or the food, or even the beer, but British high street banks.

It seems that every expatriate has a horror story about the length of time and number of pieces of paper needed to open a bank account in the UK, or was deeply insulted by being put on a few months' "probation" before being granted a 550 cheque guarantee card, when any 18-year-old embarking on a degree is showered with offers of plastic cards and overdraft facilities.

One Belgian banker, now working in the UK, complains that opening an account in London was more time-consuming and bureaucratic than in Belgium, Germany, the US, Argentina, Switzerland and the Netherlands.

"In New York, when you open a bank account you may have to queue up for half an hour, but you walk out with a temporary cheque book and everything," he says. "Here, it takes forever and a day to get a cheque book."

"You have to give them copies of your passport, employment details, they want to have a letter from your lawyer, from your accountant, they want to see bank statements from where you have banked before... in no other country has anyone ever asked me for all that."

Most banks say they treat all

applicants the same, whatever their nationality, but the fact is that the application process is designed for long-term UK residents. The biggest stumbling block is the banks' requirement for a permanent address before an account can be opened. Few overseas nationals arrive with permanent accommodation arranged - most have to spend a period staying in a hotel or with friends - but before moving into a longer-term home, letting agencies demand deposits, advance rent and sometimes even a direct-debit mandate for the rent, all of which require banking facilities.

One European banker who moved to London earlier this year found that Barclays would not open an account for her until she had a permanent address, but she needed a bank account to avoid paying a hefty deposit on a flat in cash. The problem was solved after the intervention of her employer.

One American bank has resorted to arranging private banking facilities for non-UK employees at its London office. Employees of smaller or less international companies have a tougher time.

Carolyn Chao, a New Yorker working in music publishing, tried to open a building society current account, but was turned down after several weeks of effort, in spite of calling in her boss for help. She finally managed to open an account with Abbey National, the bank, but still does not



have full current-account facilities. Abbey National says its policy is to give current accounts only to UK residents, usually with UK passports.

The British fondness for overdrafts means that an application to open a bank account is effectively treated as an application for credit, even if all the customer wants is a simple account with cash and cheque facilities.

Jeanette Zakharov, a subeditor with FT Information Services, arrived from Australia in 1990, and wanted an account in which to deposit her pay cheques and withdraw cash. She did not ask for a cheque card, overdraft facility or any

other kind of credit. It took NatWest two months to open the account, and another three months to grant a cash card. For the first two months, even though she accumulated cheques worth over £2,000, she had to rely on money transferred from Australia.

Banks are increasingly using credit scoring to judge applicants. Anyone newly arrived, with a new job, is at a distinct disadvantage, particularly since they will also lack a track record of paid-back loans and well-managed credit cards in the UK.

As mitigation for the length of time spent checking new customers' credentials, banks

also point to new anti-money laundering rules, which oblige them to be wary of large cash deposits or transfers. This makes life more difficult for those wanting to open an account, move money from their home bank accounts and gain immediate access to it.

Overseas nationals are possibly less attractive customers by banks' normal standards. Foreigners working in the UK may leave the country after a few years, closing their accounts. They may also be less likely to buy insurance and investment products, a greater source of profit for many banks than their core personal banking services.

BES deals sprout

DEALS concerning arranged-exit business expansion scheme continue to mushroom amid a proliferation of trading company issues.

PAYE investors should note when BES 3 tax relief certificates will be sent out. If these are sent much beyond mid-February next year, there is unlikely to be enough time to get a tax coding change which may result in a lower projected return.

The following are the latest releases - but there are many good schemes still available, so it is well worth taking advice before making an investment. Sponsors Close Brothers and Saxe & Prosper have launched a second issue of BESSA Oxbridge after the first issue was fully subscribed at £1m. There are two choices. The fixed exit price is 121p, equivalent to a return of 13.5 per cent for higher rate taxpayers.

Alternatively investors can opt for a fixed return of 60p plus 2.5p for every 1 per cent increase in the FT-SE 100 index, capped at a 35 per cent increase. There are lock-ins at increases of 21 per cent and 35 per cent. Both options are fully cash backed. The minimum investment is £2,000.

The Tweed Premier Return Companies is sponsored by the British Linen Bank with a Bank of Scotland guarantee to pay a fixed return of 122p after five years for every £1 invested. The company will buy residential properties from the Bank of Scotland for assured tenancy lets.

The scheme is recommended by BES analysts. Allenbridge Group which are publishers of Best BES investment, and by BES Investment for its low risk and good return. Since BES 3 certificates will not be available until the end of April, returns will be higher for

Schedule D taxpayers than for those on PAYE, according to BES Investment.

The Cavendish CHG Scheme sponsored by Smith & Williamson offers a cash-backed fixed return of 121p. The company will buy up residential properties from Community Hospitals plc, a quoted company, which will form part of CH's nursing home expansion. The minimum investment is £1,000. BES Investment says the relatively high minimum subscription of £1.6m raises the risk of the scheme.

Image III sponsored by IM Group, which specialises in property and car distribution, is offering a fixed return of

this and other commercial property ventures depend on the degree to which the property market recovers in five years time.

The London Opportunity Fund has been buying up undervalued properties in the London area for letting as assured tenancies. It is seeking to raise up to £4.5m and costs have been contained to 3.5 per cent of the amount raised if the maximum is reached. BES Investment describes it as "a lower cost offering with reasonable dilution."

Raptor will buy up unmodernised London properties for refurbishment and letting as assured tenancies. Best BES Investment says this is a low cost issue but in a market which offers lots of choice.

Trading ventures include Bloomsbury Films which aims to produce "commercially viable films structured to return monies to investors before cast and crew are paid their deferred fees." Bruce Sherman, the chairman, was producer of *Henry V* and the directors include Christopher Parkinson of city law firm Gouldens, which has raised BES money for *Leon the Pig Farmer* and *Snapper*.

Johnson Fry is sponsoring Criterion Productions to raise up to £750,000 to stage productions usually at the Criterion theatre in London's Piccadilly Circus. Another famous West End name, the L'Escargot restaurant in Greek street is launching a BES comprising two companies, one of which

aims to raise money to expand the existing restaurant and to open a second L'Escargot in Kensington or Chelsea, while the other company seeks to acquire flats to rent to restaurant employees. Best BES Advice (071-409-1111); BES Investment (071-936-2037).

Offshore bond funds

OFFSHORE bond funds pay income gross which is an attraction for non-taxpayers. The table lists those sterling offshore bond funds recognised by the Securities and Investments Board - the chief regulator for the financial services industry in the UK - and which have a three-year performance record.

Figures have been taken from Hardwick Stafford Wright and show the top 10 performing SIB-recognised funds in the sterling fixed-interest sector. They are quoted on an offer-to-offer basis because some funds have a single price but add an initial charge. If all funds were quoted on an offer-to-bid price, the single-priced funds would receive an unfair advantage.

Investors seeking income should not base their choice entirely on the size of the yield, since a bond fund can achieve a high yield at the expense of capital. Some off-

shore funds, such as that of Barclays, charge their annual management fee to capital rather than income in order to maintain the relatively high yield.

The standard practice offshore is to charge the fee against income otherwise the investor will suffer an erosion of his capital growth. However, last month Foster & Braithwaite found a loophole in the regulations which allowed

them to launch an onshore unit trust which deducts the charge from capital rather than income. The SIB is seeking to close the loophole.

The Association of Unit Trusts says that investors should be given a choice. Those who prefer high yields to capital growth benefit from charges made against capital. The association has called for full disclosure of the way in which the charge is deducted.

Highest performing 10 offshore bond funds				
Fund	Size (£m)	Yield (%)	Perf*	
Barclays Sterling Bond	313.1	8.4	68.7	
Hill Samuel Fixed Int	34.1	7.0	68.7	
Guinness FI Acc 2 H	3.0	7.1	64.6	
TSB Off Inv GR & FI	2.0	5.3	64.0	
CMI (Lux) UK Bond	15.6	6.9	63.8	
Sun Life-Secure High I	9.4	7.1	63.3	
Goyett GSI UK High Inc	14.0	8.4	62.9	
Lloyds Trust GR	491.2	6.6	61.9	
Guinness FI GR & 2 Bd	32.0	7.3	60.9	
Henderson Horizon 2 Bd	10.0	7.2	60.6	

Source: Hardwick Stafford Wright. Offer-to-offer with income reinvested over three years to November 1. Funds without 3 year record are excluded.

FROM BT TO TAHITI.

THE ONLY UNIT TRUST NOW INVESTING IN UTILITY SHARES WORLDWIDE

Water, gas, electricity and telecommunications shares have been a huge success in the UK. But why stop there? Utility companies offer similarly exciting growth prospects throughout the world - in emerging as well as developed countries. Right now, only one unit trust is investing in these industries on a worldwide basis: the Gartmore Global Utilities Fund.

2% BONUS Invest now and you'll get a share of a US\$1,000 billion international market - not to mention a 2% bonus allocation of units.

For full details, simply pick up the phone and call now.

Gartmore
UNIT TRUSTS
CALL FREE ON 0800 289 336

The price of units and the income from them may fall as well as rise, and you may not get back the amount invested. Gartmore Investment Limited, a member of IMRO.

THE FIDELITY PEP.

Other PEPs

pale by

comparison.

If you're looking for the best in tax-free investment, look no further than Fidelity. Our wide range of funds have an excellent long-term performance record, and when you invest through the Fidelity PEP you don't pay any capital gains or income tax.

A record of excellent long-term returns.

Average annual growth since launch

Special Situations Trust	24% a year over 14 years
European Trust	25% a year over 8 years
UK Growth Trust	16% a year over 8 years

you get the security of knowing your money is with Fidelity - the world's largest independent investment management organisation.

Find out all about PEP investment in our free 'Investor's Guide to Tax-Free Saving with Fidelity' booklet. Clip the coupon, call us direct on 0800 414191, or talk to your Independent Financial Adviser (if you don't yet have one, call Fidelity's free IFA Linkline on 0800 995533, for a list of those near you).



0800 414191

Fidelity Investments

FINANCE AND THE FAMILY

Try your luck with Ernie

WITH inflation running at less than 2 per cent and building society savings rates as low as we have seen them for some time, this could be the moment to resume your acquaintance with Ernie - the electronic random number indicator equipment used by National Savings.

Premium bond winnings are free of UK income tax and you do not lose your capital. You can cash in your holding at any time. Each month, Ernie selects more than 180,000 prizes, ranging from £50 to £250,000.

Bonds can be bought at the post office or direct from National Savings at Lytham St Anne's, Lancashire. They are available in blocks of 10 numbers of £1 each and there is a minimum cash investment of £100 unless you are re-investing £50 prizes. But you have to wait three months after purchase before your bonds go into the draw.

The maximum holding was increased to £20,000 earlier this year and spouses may each hold the maximum. Bonds may also be bought for children, up to the same amount, subject to the £3,000 annual inheritance tax limit for each parent. Parents do not pay tax on prizes won by children.

The value of bonds eligible for the draw now totals about £2.5bn. A prize fund, which may be varied from time to time, is calculated at 5 per cent on this figure and allocated according to a formula set out in the National Savings prospectus.

Every month there is one prize of £250,000, five of £10,000 and 25 of £5,000. Weekly draws are for one prize each of £100,000, £50,000 and £25,000.

The remainder of the prize fund is split between prizes of £1,000, £500, £100 and £50. Most prizes - more than 160,000 - are worth just £50.

What, then, are the chances of winning a prize? National Savings calculates that the probability of each single £1 bond winning a prize in each monthly draw are 16,000 to 1. At these odds, it reckons the chances of not winning any prize, if you own the maximum holding for a year, are 8,900,000 to 1.

A person with "average luck" holding the maximum of

£20,000 is likely to win 16 prizes a year. If each prize were the minimum £50, the tax-free return on capital would be 4 per cent a year - within splitting distance of the net return on an instant access building society account.

One larger prize puts you firmly in the money. One north London investor quotes his return so far this year on a holding of £10,000 as 7.5 per cent, with two months still to

run. And then there is the delicious prospect of a big win. At this point, I hear murmurs. Is it fair? Is it not rigged in favour of investors in the south? Do not people who hold blocks of £500 or £1,000 stand a better chance than those with small numbers?

National Savings goes to great lengths to make sure that all bond numbers stand an equal chance of winning. People from the south do win more often, but that is because they own more bonds.

People usually assume that the bond numbers are inputted

and a computerised tombola does the rest. In fact, Ernie is provided with the configuration of letters and figures which it must use, and then assembles its own patterns entirely at random. These are matched separately against bond numbers in the draw to find the lucky ones. Tests are made by the Government Actuary before and after each draw to ensure that the random nature of the process is operating correctly.

Premium bonds are worth thinking about if you are going to have cash to spare for a reasonable period of time - say, a year or so. Those paying tax, and especially people on fixed pensions, surely resent paying tax on interest from building society or bank deposit accounts. While interest rates and inflation remain at a low level, it costs little to take a punt; after all, at worst, all you stand to lose is the net interest you would have earned on your deposit and the inflation effect.

For many, the thrill of a letter in the post from Ernie is part of the lure of the investment. Some sort of prize could arrive on your doorstep at just about any time. But, if you get tired of waiting, you need the cash or your faith in Ernie runs out, you can always ask for your money back.

With interest rates at low levels, the prize potential of Premium bonds make them an increasingly attractive investment, writes Richard Willsher

A sophisticated endowment

ECEPT is the acronym for the latest investment trust to specialise in with profits endowment policies. The trust will be run by Exeter Asset Management, best known for split capital investment trusts.

The trust has a complex structure. As well as ordinary shares, the trust will issue a zero coupon debenture. This will pay no interest in the conventional sense, but will be repaid at a much higher level than its issue price.

The plus point is that the roll-up in the zero's value is tax-deductible. To take advantage of this, ECEPT (which

stands for Exeter Geared Endowment Policy Trust) will invest in the income shares of split capital trusts, as well as in endowment policies. The trust can offset the tax it pays on the income shares against the zero roll-up. Thus, it will be able to receive gross dividends from the income shares.

Furthermore, the trust will use the revenue from the income shares to fund the payments on the endowment policies it buys. ECEPT will have a 15 year life and will concentrate on policies maturing around 2008. Full details will be available next week.

Meanwhile, reader Roger

Honey has written with a timely reminder of the dangers faced by individuals when they invest in second-hand endowment policies. In November 1991, he bought a Scottish Amicable policy for £16,483 from market-maker Policy Portfolio.

At the time, Policy Portfolio gave an illustrated maturity value in May 1993 of £21,568. The illustration was prefaced with the warning "Future bonuses cannot be guaranteed as past performance is not necessarily a guide to the future."

As it happened, Scottish Amicable cut its terminal bonus rate from 53 to 30 per cent. The final payout from the

policy was just £16,585.23. After Honey allowed for the additional premiums he had paid, he had suffered a loss on the deal. He complained, and although Policy Portfolio said the information it gave was "meticulously correct", the FIMBRA consumer arbitration scheme awarded Honey £3,477. Finally, market-makers are pushing to eliminate the use of the term "second-hand" to describe these investments. The Association of Policy Market Makers wants the phrase "traded endowment policies" used instead.

Philip Coggan

Capital losses on BES

MANY investors will have learned that their ventures into Business Expansion Schemes devoted to building homes for rent are turning out badly, especially true for schemes initiated around 1988-90. In a typical case an investor will have put in £10,000, received £4,000 in tax relief and now has an investment worth £6,500. His apparent net gain of £300 is derisory, but does he have a capital loss of £3,500 to offset gains elsewhere?

No, because section 159(3) of the Taxation of Chargeable Gains Act 1992 says: "A gain or loss which accrues to an individual on the disposal of any shares issued after 18th March 1986 in respect of which (BES) relief has been given to him and not withdrawn shall not be a chargeable gain or allowable loss for the purposes of CGT."

Ask your tax office for the free pamphlets IR51 (Business expansion scheme) and IR35 (Business expansion scheme: Private rented housing).

Tax deductions and rental income

I notice the booklet from the Inland Revenue "Filling in your tax return, Form 11P (1993)" states: "Interest paid is not an allowable deduction from foreign rental income."

When was this change introduced and on which date it became effective?

This has always been the law - a fact which was confirmed in 1982 in Ockendon (Inspector of Taxes) v Mackley (58TC2).

Exemptions and inheritance tax

I believe the £55,000 exemption rule for inheritance tax applies only to non-domiciled spouse(s) of less than "17 out of 30" years residence in the UK and that once this milestone is passed the normal UK exemption of (currently) £150,000 applies irrespective of domicile. Is this correct?

The limited £55,000 exemption applies to transfers to non-domiciled spouses. Domicile, in the case of

inheritance tax, is determined according to the Common Law, subject however, to the provisions of the Inheritance Tax Act in so far as they alter the Common Law.

You are correct in saying that non-UK domiciled individuals who are resident in the UK for "17 out of 20 years"

are regarded as UK domiciled for inheritance tax. Therefore, the above restriction does not apply to non-UK domiciled spouses with the requisite period of residence.

This reply was provided by Barry Stillerman of accountants Stoy Hayward.

Q&A BRIEFCASE

All legal responsibility can be accepted by the Financial Times for the answers given in these columns. All enquiries will be answered by post as soon as possible.

HIGHEST RATES FOR YOUR MONEY

	Account	Telephone	Notice/term	Minimum deposit	Rate %	Int. paid
INSTANT ACCESS A/c's						
Teachers' BS	Bolton Share	0800 378888	Instant	£500	6.40%	WY
Buckinghamshire BS	Children Gold	0494 873094	Postal	£2,500	6.55%	WY
Birmingham Midshires BS	First Class	0802 845700	Postal	£10,000	6.80%	Y
Bristol & West BS	Balmoral	0800 100117	Postal	£50,000	7.10%	Y
NOTICE A/c's and BONDS						
City & Metropolitan BS	Super 80	061 464 0814	60 Day	£500	6.50%	Y
				£10,000	7.35%	Y
Scarborough BS	Scarb'gh Ninety 3	0728 398155	90 Day	£25,000	7.85%	Y
West Bromwich BS	180 Day	021 525 7070	180 Day	£50,000	8.10%	Y
MONTHLY INTEREST						
Birmingham Midshires BS	First Class	0802 845700	Postal	£500	5.80%	My
Allied Trust Bank	4 Month Notice	071 828 0879	4 Month	£2,001	6.85%	My
Woodwich BS	Investment Bond	0800 400800	90 Day	£25,000	7.25%	My
West Bromwich BS	180 Day	021 525 7070	180 Day	£50,000	7.81%	My
TESBAs (Tax Free)						
Hindley & Raby BS	0455 251234	5 Year	£25	6.05%	Y	
Durfermish BS	0885 721821	5 Year	£3,000	7.90%	Y	
Duckley BS	0384 231414	5 Year	£10	7.87%	Y	
Progressive BS	0232 244828	5 Year	£1	7.75%	Y	
HIGH INTEREST CHEQUE A/c's (Gross)						
Calcedonian Bank	NCA	081 558 8235	Instant	£1	5.50%	Y
Chelsea BS	Classic Postal	0800 717515	Instant	£2,500	6.00%	Y
Northern Rock	Current	0800 591500	Instant	£50,000	6.80%	Y
OFFSHORE ACCOUNTS (Gross)						
Woodwich Guernsey BS	Woodwich Int	0481 715735	Instant	£500	6.25%	Y
Confederation Bank Jersey	Flower Isle Invest	0534 808080	60 Day	£10,000	6.75%	WY
Dorchester (JOM) Ltd	90 Day Notice	024 853432	90 Day	£50,000	7.80%	Y
Yorkshire Guernsey Ltd	Key Term	0481 710150	£1,834	£5,000	6.70%	Y
GUARANTEED INCOME BONDS (Plus)						
Alco FI	Consolidated Life FN	081 880 7138	1 Year	£50,000	4.45%	Y
Confederation Bank Jersey	Prosperity Life FN	081 840 0843	2 Year	£2,000	4.75%	Y
Financial Assurance FN	Everly Life FN	0800 521546	3 Year	£25,000	5.25%	Y
Liberty Life FN		081 367 8000	4 Year	£50,000	5.85%	Y
		081 440 8210	5 Year	£8,000	6.00%	Y
NATIONAL SAVINGS A/c's & BONDS (Gross)						
Investment A/C			1 Month	£20	6.25%G	Y
Income Bonds			5 Month	£2,000	7.00%G	My
Capital Bonds G			5 Year	£100	7.75%G	OM
First Option Bond			12 Month	£1,000	6.94%G	Y
NAT SAVINGS CERTIFICATES (Tax Free)						
40th Issue			5 Year	£100	5.75%F	OM
6th Index Linked			5 Year	£100	3.25%	OM
Childrens Bond E			5 Year	£25	7.80%F	OM

This table covers major banks and Building Societies only. All rates (except Guaranteed Income Bonds) are shown Gross. Fixed = Fixed Rate (All other rates are variable) OM = Interest paid on maturity. No Net Rate. E = of £25,000 and over. F = 6.74 per cent on balances of £20,000 and over. H = 7.25 per cent for balances over. Sources: MONEYFACTS, The Monthly Guide to Investment and Mortgage Rates, Laundry Lane, North Walsham, Norfolk, NR26 0BD. Readers can obtain a complimentary copy by phoning 0882 500677.

Free advice on BES issues

Free a completely independent review of all BES issues - including the 1993 schemes - contact Allenbridge Group Plc, the leading BES analysts on 071 409 1111 weekdays 9.00 to 5.00, or 071 629 7026 weekends 10.00 to 4.00. Accredited by the Financial Times.

Free banking and a high rate of interest on a Business Cheque Account

60 free transactions per month, 5.5% gross p.a. when the minimum initial deposit of £2,001 is maintained. Available to sole traders, partnerships, professional firms and companies.

Call 071-626 0879 (24-hour answerphone) or Jayne Stuart on 071-283 9111. Open to 5pm Mon-Fri.

ALLIED TRUST BANK

Allied Trust Bank, 97-101 Cannon Street, London EC4N 3AD



FIVE ARROWS ASIA FUND

Share in the growth of South East Asia

South East Asia represents in our view probably the most attractive region in the world for long-term investors and the Five Arrows Asia Fund - a unit trust launched on 4th October 1993 - provides the opportunity to benefit from Rothschild's investment skills in the region.

- The fund invests mainly in companies in Hong Kong, China, Singapore, South Korea, Thailand, Taiwan, the Philippines, Malaysia and Indonesia.
- With Rothschild's presence in South East Asia, and its knowledge of the region, the managers are well placed to identify value in these dynamic stockmarkets.
- Investments are managed in a conservative, low risk manner.
- The minimum investment in the fund is £500.

For further information about the Five Arrows Asia Fund, call us free on 0800 124 314 or fill in the form below and we will send you details and an application form.

To: Rothschild Asset Management Limited, Five Arrows House, St. Swinith's Lane, London EC4N 8NR. Please send me information about the Five Arrows Asia Fund.

Title _____ Initials _____ Surname _____

Address _____

Postcode _____

Issued by Rothschild Asset Management Limited, a member of IMRO and LAUTRO and authorised under the Financial Services Act 1986. It should be noted that the value of units and any income from them may fall as well as rise. Depending on the investor's currency of reference, currency fluctuations may adversely affect the value of investments and the income derived therefrom. Investing in emerging markets is likely to carry a higher degree of risk than investing in more established markets. Past performance is not an indication of future performance.

THE WISDOM of THE AGES



THE MARKETS of THE FUTURE

Since time immemorial the West has looked to the wisdom of the East for inspiration. It is a wisdom that has often been allied to a strong entrepreneurial spirit.

That entrepreneurial spirit has made the Far East the fastest growing economic region in the world today - with growth rates of typically 5% to 8% a year.

Japan's economy is already highly developed, and the four "Asian tigers" - Hong Kong, Korea, Singapore and Taiwan are catching up fast. As are the emerging markets of Thailand, Malaysia, Indonesia and China.

Save & Prosper believes the region offers exciting investment opportunities with high potential rewards, with varied levels of risk. A choice of three Save & Prosper funds offer you the ideal way to capture the dynamism of the markets of the future.

South East Asia Growth Fund - established 15 years ago to provide exposure to companies in South East Asia excluding Japan. Original investors have so far seen their money increase its value by more than fourteen times*.

Asian Smaller Companies Fund - focuses on the region's smaller companies which can grow faster than

larger companies but often are under-researched, providing undiscovered value.

China Dragon Fund - (£27 million invested in the first 6 months) invests in 'China Play' stocks - those companies which trade with or operate in China. And which benefit from China's vast potential.

FAR EAST EXPERTISE

Save & Prosper is part of Flemings, one of the UK's leading merchant banks, who currently manage over \$40 billion for investors worldwide. Flemings' sister company, Jardine Fleming, is the leading international investment management group in the Far East.

ACT NOW FOR DISCOUNT

We believe every serious investor should consider including the Far East in their portfolio. You can invest from as little as \$1,000. And if we receive your application no later than 3rd December 1993, we are offering a 1% discount on the offer price of units on investments of £2,000 or more.

To take advantage, ring our free Moneyline, ring the coupon or talk to your financial adviser.

1% DISCOUNT TILL 3RD DEC.

CALL FREE 0800 282 101

9.00 a.m. - 5.30 p.m. 7 DAYS A WEEK

To: Save & Prosper Securities Limited, FREEPOST Romford RM1 1BR.

Please send me details of South East Asia Growth Fund, Asian Smaller Companies Fund and China Dragon Fund.

Surname _____ Forenames _____

Mr/Mrs/Miss _____

Address _____

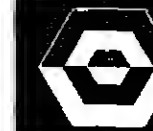
Postcode _____

Home Tel (STD) _____ No

Work Tel (STD) _____ No

So that we may call and offer further information.

THE PRICE OF UNITS, AND ANY INCOME FROM THEM, CAN GO DOWN AS WELL AS UP AND YOU MAY NOT GET BACK THE FULL AMOUNT YOU INVESTED. INVESTORS SHOULD BE AWARE THAT THE MARKETS IN WHICH THESE FUNDS CAN INVEST CAN BE HIGHLY VOLATILE. EXCHANGE RATES MAY ALSO CAUSE THE VALUE OF UNDERLYING OVERSEAS INVESTMENTS TO GO DOWN OR UP. SAVE & PROSPER GROUP LTD IS A MEMBER OF IMRO AND LAUTRO.



SAVE & PROSPER

THE INVESTMENT HOUSE

MINDING YOUR OWN BUSINESS

The lure of the drug trade

FROM HER early days as a medical student in Sydney Jan Steiner was hooked on drugs. The obsession was not a clinical condition but professional. Steiner decided early on that she wanted to work in research rather than follow her father into general practice.

After Steiner qualified in 1969 she took the academic route, working as a clinical pharmacologist in London, Kansas City and Oxford.

"I never thought I would end up running my own business in the medical field," said Dr Steiner. "But I suppose from the time in 1981 when I was offered a job at the G D Searle laboratories in High Wycombe I began to hatch the idea of doing my own thing one day."

In 1985, when she was made redundant when Searle closed the labs and working in senior management jobs with two other large pharmaceutical companies, Dr Steiner is indeed her own boss.

Twelve months ago, at 46, she started Oxford Therapeutics Consulting Ltd. It is a one-woman show, and that is the way she intends to keep it. "If I am successful I do not necessarily see the expansion route as employing other people," Dr Steiner said. "I have a number of collaborators whose expertise I can call upon. Their specialities lie in areas of expertise different from my own, from scientific, to patenting, to venture capital and regulatory matters."

"Where I am based at The Oxford Science Park on the outskirts of the city there is an excellent back-up service that includes typing, photocopying and telephone answering, so really I plan to stay on my own. I am my own managing director - managing to direct me."

At times the direction wiggles a bit, but the essential path is clear. Steiner's company is a consultancy that helps start-up companies in the biotechnology and biopharmaceutical fields to establish themselves. "It does this by helping them to assess the market fully and thoroughly, before investing what might be several million pounds in research at the cutting edge of medical science."

Steiner knows of only a handful of start-up companies of this sort in the UK but approaching 400 in the US, so her interests cross the Atlantic. On a recent trip to the US she visited 15 companies in nine days, and came back with potential orders worth \$15,000. However, this work was geared less to assessing markets than smoothing the passage across the Atlantic of the products of the US companies, most of which are larger and a few years older than their British start-up counterparts. Not very patriotic one might think. But

that, all the back-up and assistance you need is usually in place.

"But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

The problem of successful biochemical start-up has to be cracked in the universities, Steiner thinks. "A lot of the work going on in British universities is so clever that it is a desperate shame not to develop and commercialise it," she said.

"Yet so often all the odds seem to be stacked against the academics who are trying to develop their discoveries. If you are an academic in America and you have a class discovery you set up a company to develop it. It's as simple as

that. All the back-up and assistance you need is usually in place. But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

The problem of successful biochemical start-up has to be cracked in the universities, Steiner thinks. "A lot of the work going on in British universities is so clever that it is a desperate shame not to develop and commercialise it," she said.

"Yet so often all the odds seem to be stacked against the academics who are trying to develop their discoveries. If you are an academic in America and you have a class discovery you set up a company to develop it. It's as simple as

that. All the back-up and assistance you need is usually in place. But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

The problem of successful biochemical start-up has to be cracked in the universities, Steiner thinks. "A lot of the work going on in British universities is so clever that it is a desperate shame not to develop and commercialise it," she said.

"Yet so often all the odds seem to be stacked against the academics who are trying to develop their discoveries. If you are an academic in America and you have a class discovery you set up a company to develop it. It's as simple as

that. All the back-up and assistance you need is usually in place. But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

The problem of successful biochemical start-up has to be cracked in the universities, Steiner thinks. "A lot of the work going on in British universities is so clever that it is a desperate shame not to develop and commercialise it," she said.

"Yet so often all the odds seem to be stacked against the academics who are trying to develop their discoveries. If you are an academic in America and you have a class discovery you set up a company to develop it. It's as simple as

that. All the back-up and assistance you need is usually in place. But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

The problem of successful biochemical start-up has to be cracked in the universities, Steiner thinks. "A lot of the work going on in British universities is so clever that it is a desperate shame not to develop and commercialise it," she said.

"Yet so often all the odds seem to be stacked against the academics who are trying to develop their discoveries. If you are an academic in America and you have a class discovery you set up a company to develop it. It's as simple as

that. All the back-up and assistance you need is usually in place. But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

The problem of successful biochemical start-up has to be cracked in the universities, Steiner thinks. "A lot of the work going on in British universities is so clever that it is a desperate shame not to develop and commercialise it," she said.

"Yet so often all the odds seem to be stacked against the academics who are trying to develop their discoveries. If you are an academic in America and you have a class discovery you set up a company to develop it. It's as simple as

that. All the back-up and assistance you need is usually in place. But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

The problem of successful biochemical start-up has to be cracked in the universities, Steiner thinks. "A lot of the work going on in British universities is so clever that it is a desperate shame not to develop and commercialise it," she said.

"Yet so often all the odds seem to be stacked against the academics who are trying to develop their discoveries. If you are an academic in America and you have a class discovery you set up a company to develop it. It's as simple as

that. All the back-up and assistance you need is usually in place. But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

The problem of successful biochemical start-up has to be cracked in the universities, Steiner thinks. "A lot of the work going on in British universities is so clever that it is a desperate shame not to develop and commercialise it," she said.

"Yet so often all the odds seem to be stacked against the academics who are trying to develop their discoveries. If you are an academic in America and you have a class discovery you set up a company to develop it. It's as simple as

that. All the back-up and assistance you need is usually in place. But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

The problem of successful biochemical start-up has to be cracked in the universities, Steiner thinks. "A lot of the work going on in British universities is so clever that it is a desperate shame not to develop and commercialise it," she said.

"Yet so often all the odds seem to be stacked against the academics who are trying to develop their discoveries. If you are an academic in America and you have a class discovery you set up a company to develop it. It's as simple as

that. All the back-up and assistance you need is usually in place. But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

The problem of successful biochemical start-up has to be cracked in the universities, Steiner thinks. "A lot of the work going on in British universities is so clever that it is a desperate shame not to develop and commercialise it," she said.

"Yet so often all the odds seem to be stacked against the academics who are trying to develop their discoveries. If you are an academic in America and you have a class discovery you set up a company to develop it. It's as simple as

that. All the back-up and assistance you need is usually in place. But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

The problem of successful biochemical start-up has to be cracked in the universities, Steiner thinks. "A lot of the work going on in British universities is so clever that it is a desperate shame not to develop and commercialise it," she said.

"Yet so often all the odds seem to be stacked against the academics who are trying to develop their discoveries. If you are an academic in America and you have a class discovery you set up a company to develop it. It's as simple as

that. All the back-up and assistance you need is usually in place. But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."

The problem of successful biochemical start-up has to be cracked in the universities, Steiner thinks. "A lot of the work going on in British universities is so clever that it is a desperate shame not to develop and commercialise it," she said.

"Yet so often all the odds seem to be stacked against the academics who are trying to develop their discoveries. If you are an academic in America and you have a class discovery you set up a company to develop it. It's as simple as

that. All the back-up and assistance you need is usually in place. But here in Britain it's very different. For a variety of reasons people here are not so motivated to grow rich. But also here academics are not so well-served by their universities. Far too often they just publish their findings and leave it at that. Alternatively they might licence their findings to a major producer - all too often an American company. Far too much intel-

lectual property still goes out of the country. But political and economic pressures have helped create a new alertness in some of Britain's biggest universities, says Steiner.

"They are also realising that as a lot of these discoveries and inventions are funded by Joe Public in the first place, the public purse can rightly expect to see some return on its capital," she said.

Many British universities now have technology transfer offices and are carrying out technology audits, scanning through scientific advances to assess which might be worth large-scale commercial development. Steiner is working with some of these departments in the biochemical field. She is also helping to steer

flag and to avoid costly mistakes. In this business the stakes are so high and the costs so astronomical that there is no leeway if you make a mess of it. It is incredibly important to get it right first time."



Where business and science meet: Dr Jan Steiner advises budding research companies

The day Heseltine stormed out

labouring under what he regarded as a genuine grievance at a time when I thought he had merely become obsessed with his own proposals and arguments."

Certainly other, younger cabinet ministers were struck by Whitelaw's passivity. Kenneth Baker as environment secretary was the most junior member of the cabinet at the time. For him January 9 was going to be an important day anyway. He was due to present his green paper on "Paying for Local Government" (the poll tax), which was perhaps why other ministers were prepared to give the meeting a miss. Fowler in particular suggests that he might not have returned from Washington for the original cabinet agenda.

When the agenda was changed and the January 9 meeting went awry, Baker notes *The Turbulent Years: A Life in Politics*: "I was amazed that not one of the experienced older ministers such as Willie Whitelaw, Quinton Hogg or Geoffrey Howe, who had heard these exchanges, said or did anything to avert Michael's walk-out."

Either Baker or Hogg has made some mistake for, as we have seen, Hogg (otherwise known as Lord Halsbury) has said he is in Delhi not Downing Street. Lord Whitelaw has stated the reason for his own resignation. Whether Hogg could have intervened effectively, given the deteriorating relations with the prime minister, is questionable, though we must wait his account.

Yet Baker offers some corroborative evidence on what happened. He writes that while the first 30 minutes of the discussion had gone reasonably well, "new life was breathed into the whole issue by Nick Ridley intervening about the ministerial statements that Michael had made off his own bat". This, Baker suggests, is what led to the climax. Baker's account here is backed by Ridley several times over.

The prime minister had said that Heseltine should make no further statements on his own account without clearance by the cabinet secretary, Sir Robert Armstrong.

In *My Style of Government*, Ridley wrote of Heseltine's resistance to the new ruling: "This was too much for me. I immediately challenged him on the lines that if we held one view were to conform, surely he who held the opposite view should conform too? Michael Jopling (then the agriculture minister) came in behind me, and then I pressed him a third time. Twice he refused to agree. At the third time of asking, he closed his cabinet folder and said, 'I cannot accept this decision. I must therefore leave this cabinet.' He stormed out, and announced his resignation to some startled journalists waiting in Downing Street."

The problem with the Ridley version of events, however, is that it omits most of the undercurrents. Ridley may have lit the fuse, but the few who were close to events had a pretty good idea that drama was under way.

The fullest accounts of the Westland affair by cabinet ministers are those by Lady Thatcher in *The Downing*

Street Years and by Lord Lawson, who was chancellor of the exchequer, at the time, in *The View From No 11*. They are quite different from the rest in that they go into the background and help to explain the scene that burst on an astonished cabinet.

As both Lawson and Lady Thatcher make clear, there had been several meetings between senior ministers about Westland since mid-June 1985. Norman Tebbit, who was then secretary of state for trade and industry, had been instructed to encourage the Bank of England to bring together the company's main creditors with the aim of finding new management: hence the emergence of Sir John Chalkley.

The trouble was that all sorts of other issues became intertwined. Lady Thatcher calls this section of her memoirs "Keeps Raining All The Time". The Tory Party was going through one of its periodic bouts of unpopularity. First there was the cabinet reshuffle in September. Norman Tebbit moved (willingly) from the DTI to the party chairmanship; Leon Brittan moved (rather less willingly) from Home Secretary to be

'When Michael slammed his brief shut and walked out a lot of people just thought that he'd been a bit rude and then gone out to the loo. But the photographers were all waiting, so he must have tipped them off'

Tebbit's replacement. Most of the memoirs agree that, being taken out of the Home Office - traditionally one of the great offices of state - gave Brittan a sense of insecurity.

Then there was the prime minister's rising impatience with the ministry of defence, especially over its failure to deliver the Nimrod early warning system at the right time and the right price.

Not least there was Michael Heseltine. Cecil Parkinson writes in his autobiography *Right at the Centre* that "Michael detested Mrs Thatcher". For her part, she was none too sure about Michael, although she pays him a generous enough tribute in her memoirs. "Michael is one of the most talented people in politics... Michael and I are similar in some ways, very different in others." She adds that Heseltine's personality alone - "not mine or any other member of the government" - provided a kind of explanation for what arose.

It was when Heseltine insisted on seeking a European solution in spite of the installation of new management at Westland that the warning signals should have gone out loud and clear. They went to very few people.

Lawson, who as chancellor does not support the Ridley claim that it was he who made the decisive intervention. According to her version, most of the crucial talking was done by Heseltine and herself. "I emphasised the importance of

observing collective responsibility... At this Michael Heseltine erupted... He could not accept the decision recorded in my summing up. He must therefore leave the cabinet. He gathered his papers together and left a cabinet united against him."

Then, she writes, she called a short break and walked through to the private office. "Nigel Wicks, my principal private secretary, brought George Younger out I offered him, and he accepted, the defence post. I asked my office to telephone Malcolm Rifkind to offer him George's former post of Scottish Secretary, which he too subsequently accepted."

We contacted the Queen to ask her approval of these appointments. Then I returned to cabinet, continued the business and by the end of the meeting I was able to announce George Younger's appointment. Within the cabinet at least all had been settled.

No-one else records events going as smoothly as that. Lord Young, who like some of his colleagues may have been nodding off, "suddenly noticed that Michael had closed his papers". Young reports Heseltine's parting words as "Prime Minister, if this is how it is to be, I can no longer serve in your cabinet." He adds that after an embarrassed silence the cabinet carried on with the next item on the agenda. The coffee break was called a few minutes later after a private secretary had passed a note to the prime minister.

Young gave a more colourful account to Alan Clark, then his junior minister, by lunch-time. "David recounted to me the scene," says the *Clark Diaries* for January 9. "Michael appears to have done it semi-spontaneously, not the grand gesture. When he slammed his brief shut and walked out a lot of people just thought that he'd been a bit rude and then gone out to the loo. But the photographers were all waiting in Downing Street, so he must have tipped them off in advance."

Lord Lawson has it that the prime minister had set out to "humiliate" Michael in the full knowledge that this would almost certainly lead to his resignation. At the January 9 meeting, Heseltine "spoke quietly, and not at all aggressively, and sought to find some compromise arrangement. But Margaret was adamant. She could see that Michael was now isolated in cabinet... She pressed home her advantage; whereupon Michael slammed his cabinet folder shut, saying 'If this is the way this government is going to be conducted, I no longer wish to be part of it', picked the folder up and strode out of the room."

Lawson adds that in the "stunned silence that followed" the prime minister announced a short break for coffee. This, according to Lawson, was to enable her to brief Bernard Ingham, her press secretary. Kenneth Baker has Heseltine closing his red ministerial folder "with dignity" and his parting words as: "There has been a breakdown of collective responsibility and I must therefore leave the cabinet." At the

coffee break, he writes, Willie Whitelaw, John Wakeham (the chief whip) and George Younger stayed behind in the cabinet room. I had the distinct feeling that the defence secretary's resignation had not caught them unawares."

In the Norman Fowler account, Heseltine "quietly closed his folder, said he could not continue as a cabinet member, and walked to the door... Cabinet continued in a rather

shell-shocked way for another 90 minutes. The only unusual feature was that we were given an unprecedented coffee break after Geoffrey Howe had finished his report on international affairs... Michael's resignation had taken everyone, including the press, by surprise. He had left Downing Street with only a solitary photographer there to record the moment."

One account by someone not

BUSINESS SOFTWARE

GARDENING

Bothered by badgers? Here's a hint

Robin Lane Fox welcomes a new book of green-fingered tips from top people

KEEN GARDENERS are nature's insiders. They are extremely keen on tips and will act on private information so long as it is not in the public handbooks. Whenever I have given a lecture on gardening, the audience has been most intrigued by the advice which questioners give one another without any help from me. They know how to turn squirrels into a stew; they know why liquid fertiliser is improved by adding soapy detergent; they usually kill their dandelions by filling them up with salt.

I often wonder where these great reservoirs of information have been stored up and how they circulate. We now have the ultimate book for insider gardening: *Superhints*, compiled by Lady Wardington and published by Michael Joseph at £8.99. It is the sequel to her best-selling book on *Superhints for Householders* and as before, all royalties will go to charity. *Superhints for Gardeners* (from the great and green-fingered) deserves a wide public, although I admit to having contributed a re-cycled tip myself.

Some of the *Superhints* will satisfy your curiosity. You can discover how Princess Michael of Kent copes with annoying wasps, or what Michael Heseltine really thinks about the possibilities of a recovery from near-death. I will treasure some of the practical wisdom. It ranges from a huyer who will pay for the clippings from yew hedges and use them in cancer research to a remedy from the experienced Paul Miles which is said to "deal with" honey fungus. He tells us to apply one pint of creosote, stirred (but not shaken) in two gallons of water. This mixture should be sprayed on to the ground, not the leaves of affected plants, that will stop the fungus although it will also brown the grass for a while. Paul Miles ought to know and his chief advice answers one of the most frequent

queries in the FT postbag.

It is amazing what famous people will work out for themselves. Prince Leith takes time off from cooking to cut the legs of old tights into strips with which she ties up her roses: they are "much gentler than wire and cheaper than rose ties." I am not sure that I agree with the BBC presenter who tells us that "large lemonade bottles full of water" will discourage visiting cats if put in their favourite places. But I do agree with the contributor who tells us to "hoe when you do not need to hoe, and then you never need to hoe." The most efficient weeding is carried out on apparently bare soil.

Why are tips so irresistible? Sometimes we feel smug because we all know them anyway: Rabbi Lionel Blue feels that he has to tell us to grow basil because it is good

in sauce for spaghetti.

Sometimes, superhints are seductive because they are wonderfully cheap. I can see the logic in making plant-supports out of old metal coat-hangers twisted into squares

'You can discover how Princess Michael of Kent copes with annoying wasps'

and hooked on to a cane. Sometimes, one superhint trumps another. One tells us to spend winter evenings on the job of making tubes out of newspaper in order to sow the seeds of sweet peas inside them and allow the roots to spread without damage. Another has an

easier tip: use up the lavatory roll and then take out the central core and sow the seeds inside it. You can then transplant the seedlings into the garden without damaging the tap-roots. Seeds for the loo roll include parsley. It should be sown on Good Friday, according to one tipper, and the seed should be mixed into a cup of hot water, according to a head gardener, in order to soften it.

Above all, it is fun to find how much is still unknown to dictionaries and authors from the Royal Horticultural Society. When I try to grow geraniums, the tall Foxtail Lily, I often find that the centre of the plant rots away in wet weather. Gardening books have no suggestion, but Lady Salisbury tells us to put an old tile under the crown of the plant and to spread the roots outwards on either side to stop the

damp settling under the centre. She has also planted more yew hedging than most of us do in a lifetime; she rightly tells us to ignore contrary advice and never to cut the top of a yew hedge until it has reached the height which we want. It is quite untrue that this treatment will cause it to go bad at the bottom.

You see the range of hints on offer. How sweet it is, said Lucrèce, the Latin poet, to watch the troubles of others on the high seas from the safety of the shore: it is sweeter, in our caring society, to read experts' long ruminations about the treatment of toadstools in lawns when the answer is simply to dose them with Epsom Salts.

It is even sweeter to discover how other people deal with unfriendly animals. Forget those Green placards about "nature's fellow-citizens".

keen gardeners see off moles by putting mothballs or musical birthday cards down the mole-run: (they are said to be deterred by the repeated tune of "Happy Birthday"). My brother, I discover, puts holly-leaves round pea-seeds to deter mice which try to dig them up. I never knew that he was so up. I never knew what he was so prickly and now wonder what he puts down against a brother who sometimes tries to dig up bits of his better plants after a tour of his large garden.

The ultimate tip? It comes from Annabel Allhusen, a garden designer. I have had a lady badger in my garden all year, but if she becomes troublesome, I now discover that I should invite as many men as possible to a dinner party, fill them up with wine and turn them put into the garden so that they will "mark territory" around boundaries where badgers enter. Some of you might prefer a superhint to deal with male guests who relieve themselves on your lawn in the twilight. Not so Miss Allhusen: "After heavy rain, you have a lovely excuse for another party."

self. He takes naturally to allotment life. I do not. I cannot resist picking up fallen fruit and vegetables round about us, rather than leaving them to rot. A sure sign of an alien.

Also, Mr 17B's opening act, when given his plot, was to build a compost holder above ground level so that air can pass through it, changing dead plant life into steaming muck for the future. All we have is a rusty cupboard containing a few bits of mesh and bamboo poles. At least it is not our fault; it was there when we arrived.

On the 16 side of us there is a shaggy man and on the 16 side a women's commune, both with the intermittent approach to gardening, keeping it close to nature and free of constructions. Inspectors evidently keep their distance. The lady on the 15 is of a different order. She has the whole strip, all 16 rods, and every last bit of it is full of cabbages. A patch of cabbage colour from purple, through blue-grey and dark green to young, bright green. Six hours a day, she told us, she spends on it in the summer. Her plot furnishings are well-kept, stocked and used. She makes her own sprays to keep aphids and lip-lipping slugs at bay. I lean on my spade and watch her at work sometimes, thinking to myself that I will have become an allotment holder proper, not just a hit-and-run agent, when she does not offer me one of her cabbages. Then I will not be able to accept it.



artichokes for the noble vegetables they are.

To the ignorant inspector, they might look like unusual bushes, covering their delicious globes with their great leaves. As Mr Fish was out when I stormed into leisure offices, hell-bent and muddy, I spread out our humbler vegetables in front of a minion, who looked nervous. I made him write down their names and numbers, then took them home. Mr Fish soon wrote to say that we could keep our plot, provided it is always weed-free. Fair enough. Although productive, ours did have a few weeds,

which we removed.

Apparently, the council fears that it may have to sell some allotment sites to make money and perfect plots are the best argument against that. No more intrepid weapon grows within them than the potato. The ones we planted to break up the ground have done their stuff with a vengeance and, in so doing, have given us a super-abundance of spuds. Instead of turning up at dinner parties with unwanted bottles of wine, we turn up with bags of unwanted potatoes. 17B, the other end of strip no 17, belongs to a friendly man with a pony-tail. His

strenuous exertions to turn his wilderness into a vegetable patch have unearthed a few antique potatoes, presumably left from his predecessor's efforts.

We urged him to leave those and take ours instead, before one of the inspectors mistakes our chopped-off potato stalks for weeds. So far he does not seem to have done so. Privacy is a basic principle of allotments and I have never seen anyone spilling over from their own plot - least of all the one next door, which is sacrosanct.

Mr 17B happily receives our potatoes but does not like to help him-

Me and my Allotment

Rod to break a grower's back

In the first of an occasional series, Teresa McLean tames an urban jungle against the bureaucratic odds

IN APRIL 1991 the town council gave us an allotment. It had taken me years to resign myself to the fact that we only have a tiny back garden, facing north, at once rampant and barbed, a non-event for vegetables.

When the sun shone, I longed to treat everyone to my mother's summer classic for supper, delight of my childhood: peas, beans and bacon. Only home-grown peas and beans could make the real thing.

Overcoming my subconscious feeling that allotments belong to those who live in the north of England, or beside railway lines, I wrote to the council and asked for one.

They placed us on a waiting list. Then, in spring 1991, the council's amenities and recreation department sent us some documents of a splendidly historical flavour, granting us the yearly use of a plot "five rods big or thereabouts", at a rent of £1 per rod per year.

I have always had a soft spot for rods. They were next to poles and perches on the back page of my arithmetic text book at school, waiting to be learnt. Or identified. (1 rod = 16 sq ft).

These days it is five rods of land waiting to be cultivated, an old, rich measurement of old, clay soil choked with weeds. We paid our rent and set to work, with the help of the council's site map, swallowing at the third of a mile or so between us and our plot.

Most of the other allotment holders on this patch are from the coun-

cil houses overlooking it. On hot days all they have to do is go home for a drink. We drink before we go. It was after our second summer of persecuting slugs and tearing out bindweed, the scourge of cultivation, that I went to the allotment one evening to pick some spinach and found a note flapping on a stick.

It was from the amenities and recreation department, ominously renamed Leisure Services. A man called Mr Fish, technical officer of Leisure Services, was going to reclaim our plot, 17A, because we were cultivating land that belonged to someone else.

I sent Mr Fish copies of the documents assigning 17A to us. He rang and said he was sorry; he had got the wrong plot. Early this summer, to make a change, Mr Fish said he was going to reclaim 17A because we had not been cultivating it. We

have only recently found out about the National Society of Allotment and Leisure Gardeners, which offers its members everything from cheap seeds to help in disputes with local authorities.

At that stage we were on our own, unsupported and up against it, and we decided the soil must fight its own battles. I took a carrier bag full of peas, runner and broad beans, carrots, lettuces and immense radishes to the council's leisure offices, to show those within how hard we had been cultivating. I could not bring myself to cut and bring the globe artichokes, pride of our plot, before they were ready. They were meant for a higher fate.

In all the endless entrails of the allotment civil service, even in the ranks of "inspectors" out in the field, reporting back to base on the state of the plots, I am pretty sure no-one had recognised our globe

Skiing/Patrick Harverson

A little Big Mountain

IT IS NOT easy to find the town of Whitefish on a map of the US - it is up near the top left-hand corner, tucked between the borders of Montana, Idaho and the Canadian province of Alberta.

Modern travel being what it is, however, you can fly from New York to Whitefish in just a few hours, via Salt Lake City to Kalispell airport. A few miles away is Whitefish, a small place (population 4,500), with no big hotels, a few shops and a handful of bars. The nightlife is limited, but pursued with enthusiasm, particularly at the "World Famous Kick-Ass" Palace Bar, home to local heavy metal bands and midnight mouse racing.

Although you might not notice it at first, Whitefish is also a ski town - which is why I was there. About 20 minutes' drive from downtown Whitefish is the ski resort of Big Mountain. Like Whitefish, Big Mountain is a determinedly unglamorous place. A cluster of small, functional buildings sits at the base of uncrowded

pistes. Below, an unobtrusive collection of houses and lodges is hidden within the treeline. There is not a Marriott or a Ritz-Carlton in sight and the car park is packed with pickup trucks and beaten-up saloons.

Again, like the town and the resort centre, the mountain itself does not look much at first - but first appearances can be deceiving. Big Mountain boasts a 2,400ft vertical drop, 56 trails and six main chairlifts - an average-sized resort by North American standards. Yet, of the marked trails it has, hundreds of acres of skiing among fir trees many bent into bizarre shapes by the weight of the frost, creating the region's trademark "snow ghosts", along gullies, through glades, down chutes, and into the basins of small bowls.

The front face of the mountain offers a variety of comfortable green and blue runs and the occasional challenging black. Each day I started with an intermediate trail called Inspiration, a fast descent down the mountain that takes

in views of Whitefish lake and the agricultural lands of the Flathead valley. Later in the week, those views were obscured by clouds which lap at the feet of the mountains like waves in a thick cotton sea. Clouds are common on Big Mountain, but then so is snow.

Although there was no powder the week I was there, the north face of the mountain, where the slopes escape the freeze-thaw cycle, offered a fresh supply of light powdery snow that keeps its condition throughout each day. Here, steeply pitched mogul runs, like the intimidating Bighorn, challenge both technique and courage.

What Big Mountain may lack in size, it more than makes up for in extras, such as Snowcat skiing - for \$35 (\$23.40) a snow tractor will take you into the back country in search of powder - and night skiing. The latter is especially thrilling. On my first day, I skied late into the after-

noon, then continued under the floodlights in the cooling night air. I finished, just as the mountain was closing, by skipping off the main run to end the evening alone on shadowy slopes lit only by a three-quarter moon.

Each day, or night, always ends at Big Mountain's favourite slopeside haunt - the Hell Roaring Saloon. The Hell Roaring is an après-ski bar from the days before they called them après-ski bars. Crowded with skiers, locals and mountain workers, it is wood-paneled, comfortable, and noisy.

The Hell Roaring is also home to the most unusual special offer in mountain retailing. Buy a Hell Roaring Saloon cap for \$15 and you are entitled to one free draught beer every day for the rest of your life. Cap on head, pint in hand, I quickly worked out that at two hanks a beer, I needed to stay at least seven days to make a profit on the deal. If ever there was an incentive to stay in Montana, skiing and drinking beer, this was it.

John has an impeccable record as a guide. He is a stickler for safety, forcing everyone to wear an avalanche beeper, carry a shovel and, since last season, wear the new ABS inflatable air bag that is intended to prevent the user from being buried in an avalanche.

"I accept that there are risks, but I try to cut them to a minimum," he says. "When I come across a difficult place, I always ask myself what is the worst that can happen."

John's view is that this type of skiing is ideally suited to the Alps. The lift network there is dense enough that you never have to trek too far, and there is always a pleasant run at the end of the run and a taxi, bus or train to take you back to base.

The less strenuous alternative of belt-skiing has become too expensive and, in an increasing number of areas, has been prohibited.

But the strain of it all, especially with the paucity of snow in the past few seasons, has taken its toll even on him. He and a Swiss guide are planning to move to British Columbia next year to set up a belt-skiing business.

Ian Rodger

Searching for Swiss powder

"LEAN OUT, lean out! Don't do anything I didn't tell you to do," came the guide's angry call.

I was just beginning to sidestep gingerly across the top of a steep couloir lined with jagged rocks. The guide's instructions were to lean outwards so the edges of the skis would dig better into the hard crust. But the consequences of leaning out too far made me prefer to lean in.

The danger was over in a few seconds, but it was one of three or four moments during a week of powder skiing in the Swiss Alps that still make my palms perspire.

John Hogg, a Canadian guide who has operated in Switzerland for the past 12 years, prides himself on being able to find unmarked powder snow in the Alps for his clients, regardless of the conditions.

And, last winter, when I joined his group for six days in the Klosters-Davos region, there had not been any significant new snow for more than a month.

The result was that he had to lead us into increasingly inaccessible places, such as the couloir mentioned above. Once we had cleared that we came upon a long, broad pitch of

untouched deep snow, only a couple of hundred metres from the top of Davos's always crowded Weissfluh.

On other days, we would put skins on our skis and trek for an hour or more from the top of a lift to get to faces - almost always on the north sides of mountains - where there was a chance that the snow would still be skiable.

It was, without doubt, the most strenuous holiday I have ever taken, and not just because of the climbing at high altitudes. With the lack of snow and the warm weather, our skiing always ended up in nasty conditions at the bottom - breakable crust, slush and then just rocks and mud, forcing us into long walks.

But in addition to the occasional moments of fright and the frequent fatigue, there were wonderful moments. I remember sitting down for a packed lunch in a mountain surrounded valley on a cloudless day, only a mile or so from Klosters but alone.

There was satisfaction even

in the simple achievement of the steady rhythm maintained by trekking up a slope on skins, or in making a couple of relatively competent parallel turns in heavy, deep snow.

Is this sort of holiday for you? It is certainly not for everyone. Two in our group of eight decided on a couple of mornings that they would rather rest, and Hogg says dropouts are not uncommon.

The main prerequisite, surprisingly enough, is not a high level of skiing skill, although familiarity with the technique of sidestepping across steep couloirs helps. One of our number, a Swiss, was a modest snow-plougher. Nor does age matter. The best performer in our group was 60.

The real key is fitness. In his English language brochure, John warns potential clients that they should be able to run five miles in 45 minutes three times a week. "I do not have to put it in the German language brochure. The Swiss and the Germans understand," he says. As for the level of danger,

Weekend FT

RESIDENTIAL PROPERTY

Every Saturday the Weekend FT Residential Property section reaches an international market of approximately

ONE MILLION READERS in 160 COUNTRIES

Capitalise on the FT's connections to sell or rent your property or land.

Advertising is available every week in

FULL COLOUR
SPOT COLOUR
MONO.

For further information please contact

Paul Cosgrove
Tel: 071-873 3252
Fax: 071-873 3098

Sonya MacGregor
071-873 4935
Fax: 071-873 3098

Financial Times,
One Southwark Bridge,
London SE1 9HL

COUNTRY PROPERTY

FREE GOLF

FOR LIFE!

WHEN YOU BUY A SECOND HOME AT THE WATERMARK CLUB - THE GOLF IS FREE.

An architect inspired 3-bedroomed, 2-bathroomed golfing lodge situated on its own private uncrowded 18-hole course.

Set in 800 acres of well-kept parkland, price includes free golf for life for two plus family membership to the Clubhouse and Health Club with indoor pool, gymnasium, spa and solarium.

Private trout fishing and tennis courts, 999-year leasehold - the clock security - the only thing below par is the price.

Price £79,000

PHONE FOR MORE DETAILS TODAY

0604 671471

RETIREMENT

A HISTORY LESSON

What do Dick Turpin, Oliver Cromwell and General Gordon have in common? They are all associated with sites chosen for our retirement schemes. At English Country, you'll be on famous soil. But if you thought our historical interest ended there, you'd be mistaken. Restoration and conservation work has been carried out on a number of listed buildings, the oldest of which dates from the 14th Century. While maintaining the character of such buildings, English Country ensures that the highest standards of workmanship are maintained, from the energy efficient heating system, to the kitchen layout designed for maximum convenience.

Prices from £25,000 to £215,000.

To find out more about our properties in Somerset, Wiltshire, Dorset and Devon, please ring us for a brochure. The English Country Association, 8 Holland Street, London W8 4LT. FREEPHONE 0800 220655.

AUCTIONS

7th DECEMBER 1993 at 10.30 am THE PARK LANE HOTEL, LONDON

OVER 150 PROPERTIES THROUGHOUT ENGLAND & WALES TO BE OFFERED ON BEHALF OF MORTGAGEES IN POSSESSION AND OTHERS, INVESTMENT, RESIDENTIAL AND COMMERCIAL PROPERTIES.

TELEPHONE:

0891 600138

FOR YOUR FREE CATALOGUE

Calls charged at 35p per minute cheap rate and 45p per minute at other times.

PROPERTY: THE DEEP SOUTH

BUY A HOUSE in Atlanta, USA, and you can let it in 1996 when the Olympic Games come to town. Splendid houses are for sale in the city, those in the northern suburbs grand enough to excite any chairman for moving to home and his corporate headquarters to the thriving capital and air hub of the south-eastern US.

Georgia began in 1733 when General Oglethorpe landed at Savannah, a place where debtors were sent. The youngest and largest of the 13 states of the original union, it was reluctant to secede from the Crown and in the civil war looked for an alliance with Britain - an outlook mirrored in the dominance of British styles in its grand houses.

In 1837 a town called Terminus was founded, becoming Marietta in 1843 and Atlanta in 1845. Its position in the foothills at the south end of the Appalachians made it the rail hub of the south east. General Sherman destroyed this city in 1866 on his horrendous march "from Atlanta to the sea".

When he stopped shelling, less than a tenth of the houses were intact. The march to Savannah left a swathe of destruction 50 to 60 miles wide. His attempt to annihilate the economy affected life in Georgia for years, and southern memories for ever. But a pharmacist's cordial that became Coca-Cola set Atlanta on the road to recovery.

By the 1920s, the money it brought the city was being spent on stately homes, mostly English-style, in the area north of the city centre where the battle of Peachtree Creek took place in the civil war. Today what is good for Coke is still good for Atlanta.

Three clever architects led the mansion building between the wars, so successfully that there are bus routes to these suburban palaces. Philip Shute (rhyming with gutsy), Neel Bald and Lewis Crook produced intelligent, sharply detailed Tudor, Queen Anne or Georgian - and some French or Italian-style - buildings with allusions to grand houses in Europe. They had a good eye for siting. North Atlanta houses are in small wooded valleys with creeks at the bottom, set well back from the road for privacy and security.

The large gardens are ablaze with azaleas and dogwood in the spring and in autumn the "man-made" woodland merges into the old natural forest so well that you do not notice where one ends and the other begins.

It is suburbia, but at its best. Large, free-standing houses so close to each other surprise Europeans who would expect each to be in its own park, but their elegance and the beauty of the woods soon captivate. The property market in Atlanta has been through a similar cycle to that in the UK. Prices are well down from their 1987-88 peaks, realtor (estate agent) Harry Norman says, as he has had to explain to vendors who would like their houses priced at levels of five years ago. Unsurprisingly, some asking prices have been



You would never know you were in the middle of a great city: this house in Valley Road, Atlanta, surrounded by woods, is priced at \$6.75m

Jacuzzis at their best

Gerald Cadogan finds grand houses for grand men in Atlanta

cut. Where Atlanta differs from the UK is that, with the greater mobility of the US workforce, there are plenty of good houses on the market.

Many have super-expensive kitchens with free-standing "island" counters and, attached to the master bedroom, jacuzzis - I have never seen so many before - mirrored dressing rooms and large clothes cupboards that are complete rooms. Nowadays, an agent remarked, the money that in the past went on the reception rooms is spent on these private rooms.

The chairman moving his corporate headquarters might like to buy an early 1920s Neel Reid house, 2 Vernon Road on offer from Harry Norman at \$2.495m. It has splendid public rooms, a porch modelled on Grafton Hall, in Virginia, a stepped garden leading to a creek, and swimming pool next to the house.

To spend more, he could look at 65 Valley Road, a Tudor house in immaculate condition on a very large lot (3.5 acres), with its swimming pool so deep

in the woods that you would never know you were in the middle of a great city. Built for the third president of Coca-Cola, it is now the home of Edward and Suzanne Elson, who must sell as President Bill Clinton has nominated him ambassador to Denmark.

With a great hall, wood panelling, and painted vaulted ceilings, and surrounded by azaleas, boxwood, dogwood and rhododendrons, the asking price is \$6.75m from Jenny Pruitt. Property tax in 1992 was \$21,042. It is hard to see how the ambassador's residence in Copenhagen can match it.

Cheaper, and with the comforting feel of not having been revamped - house and fittings are 1930s - is 231 Peachtree Battle, for \$1.25m from Jenny Pruitt. Its pool is also next to the house. The garden is a treat, planned as a series of rooms like Hidcote, in Gloucestershire, England, (which of course an American, Lawrence Johnston, made) and with interesting plants and a superb water garden around the creek at the bottom.

In 3645 Nancy Creek Road the white wood floored kitchen with reinforced steel joists supporting the roof is like an exhibition pavilion. The pool below is the other highlight. Also this house is a good example of extruded mortar between the bricks, giving a rusticated texture that was news to me, but is customary in Georgia. The price is \$1.5m, and the agent Jenny Pruitt. At the most expensive house 3640 Tuxedo Road (\$9.5m from Harry Norman) the old water garden, now overgrown, awaits resurrection. This was once the house of Robert Woodruff, chairman of Coca Cola, sumptuous and made more sumptuous by the present owners.

Five grand houses for five chairmen or chief executive officers. If they buy next weekend, over the Thanksgiving holiday, they will be in time to enjoy the Superbowl in Atlanta in January. ■ Realtors in Atlanta (area code 404) Harry Norman (250-7505); Jenny Pruitt (250-9900).

Georgia on my mind

LUCKILY, Sherman did not destroy all Georgia on his march. Washington, Madison and Newman are attractive small towns that survived, where some antebellum (pre-civil war) houses have also escaped 20th century development.

Madison is small-town America at its best. A prosperous staging post on the old route from Charleston to New Orleans, it was the centre of plantations for 80 miles around. Long, hooding goods trains still carry Georgia pines through town, and the drugstore has kept its soda fountain. Main Street looks smart, perhaps helped by the Georgia Main Street Project (a civic trust type of scheme). There is a lively cultural centre and a Japanese plant makes compact discs.

But the Japanese live out of town by themselves. It is their loss as Madison has splendid houses. For example, 31 Academy Street, built in 1846, is a classic late Georgian house, with the customary twin parlours (for men or women), and high ceilings for summer heat. It does not have central air conditioning, but an old-style attic fan cools the house in minutes - its two-acre lot is nothing for a gardener. The price from Baldwin Realty is \$485,500. Property tax is far cheaper than in Atlanta an hour away.

Two blocks away, 498 South Main Street is a treasure house of expensive Victorian architecture, "the most elegant country home in middle Georgia", according to "The Madisons" in 1853, with plenty of rich in contrasting woods - black walnut and maple floors, walnut sliding doors, and walnut and ash mouldings. Italian craftsmen stencilled the ceilings.

The house, lovingly restored, comes with 10 acres for \$2.25m, from Jenny Pruitt. The Victorian Society should charter an aircraft at once to visit, continuing to Newman (25 minutes from Atlanta airport) where Fisher Realty offers another Victorian extravaganza. 155

Greenview Street of 1886 is painted in colour combinations we know on the Victorian bridges over the Thames. The price is \$795,000.

A classic antebellum Greek Revival house with a columned balcony and porch is 52 College Street, with 12 ft high ceilings downstairs and 10 ft upstairs. Although it became apartments during the Depression, it is now in excellent condition. Pressure-washing twice a year, to remove mildew and dirt from the white outside paint, has meant no painting for seven years. Harry Norman asks \$475,000.

South of Atlanta, is a small city once more important than Atlanta. A Victorian house re-done (superbly) in

recently with an estate staff of 75 to 100 in an ordered style that only royalty emulates. Devoted to pursuit of the fox and any other outdoor activity, even alligator hunting, she stuffed the house with fox and horse icons. The best is a picture of Eclipse by Sartorius.

It is hard to buy a plantation at Thomasville as the families keep them as sporting estates and for their timber business. But Melrose is for sale with - sadly or fortunately - only 30 acres as the family retained the land and built themselves new houses. There is no lack of outbuildings, however. The brick stable block would grace the blue grass country in Kentucky.

Showboat, the estate theatre, where reputedly *Comes with the Wind* was shown for the first time, is included in the sale. Looking like a showboat tied to the river bank, it was built of swamp cypress wood in 1928. On Friday nights the gentry came for movies, on Saturdays, the staff. Chubb is selling Melrose for \$1.5m. The outbuildings could easily be let.

In town Chubb offers 920 Blackhawk Street, a 1923 winter residence enlarged in 1977. In tip-top condition, it has the best swimming pool and pool house/guest house I saw in Georgia - and garaging for six cars. Good for entertaining or as a retreat, it costs \$970,000.

At the other end of Georgia across the border into North Carolina is Highlands in the Blue Ridge Mountains, a hill station with pines, rocks and tin roofs where people came from Atlanta, New Orleans and Charleston in the summer. Now it has a year-round population and a famous golf course at the country club. By a lake next to the 18th hole is Brigade road (Harry Norman, \$2.85m).

Further information: Baldwin Realty, Madison (706-342-3207); Chubb Associates, Thomasville (912-226-7916); Fisher Realty, Newman (404-253-3840); Murphy Taylor & Ellis, Macon (912-743-2675); Harry Norman, Atlanta (404-250-7505); Jenny Pruitt, Atlanta (404-250-9900); Sheridan Solomon Kermaghan, Macon (912-745-3991).

Gerald Cadogan on the delights of small-town America

1911 by Neel Reid as a Parisian villa is 397 College Street. In the College Hill historic district, it costs \$525,000 from Sheridan Solomon Kermaghan. The agent also offers an imposing Greek Revival house (1857) with its columned porch rising from a stepped podium, 1231 Jefferson Terrace costs \$385,000. A Victorian gem, this time unusually in brick with stone banding, is 1144 Georgia Avenue, for \$10,000 more from Murphy Taylor & Ellis.

The quail-shooting season is starting on the plantations at Thomasville in south Georgia. Some owners buy quail to release them, but it is generally rough sport. "I don't like contrived shooting", said plantation-owner Russell Chubb, of realtor Chubb Associates.

The town found fame when rich northerners came for the winter (before the railways were extended into Florida), as the air was good for their health, and soon were building their own grand plantation houses. Mrs Parker Poe, known as Miss Fanny, lived at Pebble Hill (now a museum) until

dible
: the
late.
most
nsive
mbed
signs
itter
1 plus
dised)
ce a
made
(\$20).

ociate

PROPERTY



COUNTRY PROPERTY

Stratton Creber

On instructions from the Plymouth and Torbay Health Authority acting as agents for The Secretary of State for Health.

DARTMORE NATIONAL PARK

Plymouth 14 miles. Close to A38.

Extensive complex of Hospital buildings, Offices, Houses, Recreational and Industrial buildings.

About 65 acres.

Planning permission for 121 dwellings by conversion and new build.

FOR SALE BY TENDER

Closing date 31st December 1993

For brochure apply: Stratton Creber, Sherwell House, 30 North Hill, Plymouth PL4 8ES

Tel: 0752 670700 Fax: 0752 221855

CONSULTANTS/SURVEYORS, LAND AGENTS, VALUERS, ARCHITECTS AND ESTATE AGENTS

FIM

Woodlands for Sale

Sevenoaks, Kent Two amenity woodlands comprising maturing Oak with areas for replanting and potential for ponds. Sporting rights included. 33.6 acres £45,000 7.7 acres £12,500

Dinas, Gwynedd Commercial 23 year old predominantly Sitka spruce forest. Good access to timber markets. Potential hydro electric scheme. 522.8 acres £300,000

Forestry Investment Management

Glebe Barn, Great Barrington, Bedford, Oxon OX18 4US

Tel: 0451 844 655 Fax: 0451 844 509

GROUND FLOOR FLAT

On an award winning riverside development. Picturesque historic village location, Hynford, Kent.

£45,000

Telephone 0322 866340

ANTHONY'S CHESEBONE

5 beds, 2 baths, 3 reception, big terrace, 100 ft. Outstanding views. Drive for 4 cars. 5 mins to A52/A66 OIRO £200,000. Tel: (0565) 777005

FISHING

SALMON FISHING TO LET

Open the Season on the INVERLY WATER, ROVER ORE. Two rods have become available due to completion on this very productive early beat below Banchory for the first 3 days commencing 1 February 94 and the following weeks, commencing 1 February 94. For full details contact: Julie Mole

Tel: 0205 280 444 Fax: 0205 280 237

CLUTTONS

WEST SUSSEX, near Angmering

Arundel 4 miles. Worthing 14 miles. Brighton 17 miles. Chichester 14 miles

A substantial 1930s detached house on the edge of the New Forest Golf Course with excellent views. 4 bedrooms, 4 bathrooms, 4 living rooms, 4 dining rooms, 4 reception rooms, 4 study rooms, 4 kitchen, 4 breakfast room, 4 terrace, 4 garden, 4 driveway, 4 parking spaces, 4 garage, 4 carport, 4 porch, 4 entrance, 4 front door, 4 back door, 4 side door, 4 window, 4 door, 4 roof, 4 floor, 4 wall, 4 ceiling, 4 furniture, 4 fixtures, 4 fittings, 4 appliances, 4 equipment, 4 tools, 4 materials, 4 supplies, 4 services, 4 utilities, 4 communications, 4 transport, 4 travel, 4 leisure, 4 entertainment, 4 education, 4 health, 4 fitness, 4 sports, 4 hobbies, 4 interests, 4 passions, 4 dreams, 4 aspirations, 4 goals, 4 ambitions, 4 dreams, 4 aspirations, 4 goals, 4 ambitions.

West Sussex large village house 18th century, 10m 11m, 4 beds, 4 baths, 4 reception, 4 study, 4 kitchen, 4 breakfast room, 4 terrace, 4 garden, 4 driveway, 4 parking spaces, 4 garage, 4 carport, 4 porch, 4 entrance, 4 front door, 4 back door, 4 side door, 4 window, 4 door, 4 roof, 4 floor, 4 wall, 4 ceiling, 4 furniture, 4 fixtures, 4 fittings, 4 appliances, 4 equipment, 4 tools, 4 materials, 4 supplies, 4 services, 4 utilities, 4 communications, 4 transport, 4 travel, 4 leisure, 4 entertainment, 4 education, 4 health, 4 fitness, 4 sports, 4 hobbies, 4 interests, 4 passions, 4 dreams, 4 aspirations, 4 goals, 4 ambitions.

West Sussex large village house 18th century, 10m 11m, 4 beds, 4 baths, 4 reception, 4 study, 4 kitchen, 4 breakfast room, 4 terrace, 4 garden, 4 driveway, 4 parking spaces, 4 garage, 4 carport, 4 porch, 4 entrance, 4 front door, 4 back door, 4 side door, 4 window, 4 door, 4 roof, 4 floor, 4 wall, 4 ceiling, 4 furniture, 4 fixtures, 4 fittings, 4 appliances, 4 equipment, 4 tools, 4 materials, 4 supplies, 4 services, 4 utilities, 4 communications, 4 transport, 4 travel, 4 leisure, 4 entertainment, 4 education, 4 health, 4 fitness, 4 sports, 4 hobbies, 4 interests, 4 passions, 4 dreams, 4 aspirations, 4 goals, 4 ambitions.

West Sussex large village house 18th century, 10m 11m, 4 beds, 4 baths, 4 reception, 4 study, 4 kitchen, 4 breakfast room, 4 terrace, 4 garden, 4 driveway, 4 parking spaces, 4 garage, 4 carport, 4 porch, 4 entrance, 4 front door, 4 back door, 4 side door, 4 window, 4 door, 4 roof, 4 floor, 4 wall, 4 ceiling, 4 furniture, 4 fixtures, 4 fittings, 4 appliances, 4 equipment, 4 tools, 4 materials, 4 supplies, 4 services, 4 utilities, 4 communications, 4 transport, 4 travel, 4 leisure, 4 entertainment, 4 education, 4 health, 4 fitness, 4 sports, 4 hobbies, 4 interests, 4 passions, 4 dreams, 4 aspirations, 4 goals, 4 ambitions.

West Sussex large village house 18th century, 10m 11m, 4 beds, 4 baths, 4 reception, 4 study, 4 kitchen, 4 breakfast room, 4 terrace, 4 garden, 4 driveway, 4 parking spaces, 4 garage, 4 carport, 4 porch, 4 entrance, 4 front door, 4 back door, 4 side door, 4 window, 4 door, 4 roof, 4 floor, 4 wall, 4 ceiling, 4 furniture, 4 fixtures, 4 fittings, 4 appliances, 4 equipment, 4 tools, 4 materials, 4 supplies, 4 services, 4 utilities, 4 communications, 4 transport, 4 travel, 4 leisure, 4 entertainment, 4 education, 4 health, 4 fitness, 4 sports, 4 hobbies, 4 interests, 4 passions, 4 dreams, 4 aspirations, 4 goals, 4 ambitions.

West Sussex large village house 18th century, 10m 11m, 4 beds, 4 baths, 4 reception, 4 study, 4 kitchen, 4 breakfast room, 4 terrace, 4 garden, 4 driveway, 4 parking spaces, 4 garage, 4 carport, 4 porch, 4 entrance, 4 front door, 4 back door, 4 side door, 4 window, 4 door, 4 roof, 4 floor, 4 wall, 4 ceiling, 4 furniture, 4 fixtures, 4 fittings, 4 appliances, 4 equipment, 4 tools, 4 materials, 4 supplies, 4 services, 4 utilities, 4 communications, 4 transport, 4 travel, 4 leisure, 4 entertainment, 4 education, 4 health, 4 fitness, 4 sports, 4 hobbies, 4 interests, 4 passions, 4 dreams, 4 aspirations, 4 goals, 4 ambitions.

West Sussex large village house 18th century, 10m 11m, 4 beds, 4 baths, 4 reception, 4 study, 4 kitchen, 4 breakfast room, 4 terrace, 4 garden, 4 driveway, 4 parking spaces, 4 garage, 4 carport, 4 porch, 4 entrance, 4 front door, 4 back door, 4 side door, 4 window, 4 door, 4 roof, 4 floor, 4 wall, 4 ceiling, 4 furniture, 4 fixtures, 4 fittings, 4 appliances, 4 equipment, 4 tools, 4 materials, 4 supplies, 4 services, 4 utilities, 4 communications, 4 transport, 4 travel, 4 leisure, 4 entertainment, 4 education, 4 health, 4 fitness, 4 sports, 4 hobbies, 4 interests, 4 passions, 4 dreams, 4 aspirations, 4 goals, 4 ambitions.

West Sussex large village house 18th century, 10m 11m, 4 beds, 4 baths, 4 reception, 4 study, 4 kitchen, 4 breakfast room, 4 terrace, 4 garden, 4 driveway, 4 parking spaces, 4 garage, 4 carport, 4 porch, 4 entrance, 4 front door, 4 back door, 4 side door, 4 window, 4 door, 4 roof, 4 floor, 4 wall, 4 ceiling, 4 furniture, 4 fixtures, 4 fittings, 4 appliances, 4 equipment, 4 tools, 4 materials, 4 supplies, 4 services, 4 utilities, 4 communications, 4 transport, 4 travel, 4 leisure, 4 entertainment, 4 education, 4 health, 4 fitness, 4 sports, 4 hobbies, 4 interests, 4 passions, 4 dreams, 4 aspirations, 4 goals, 4 ambitions.

West Sussex large village house 18th century, 10m 11m, 4 beds, 4 baths, 4 reception, 4 study, 4 kitchen, 4 breakfast room, 4 terrace, 4 garden, 4 driveway, 4 parking spaces, 4 garage, 4 carport, 4 porch, 4 entrance, 4 front door, 4 back door, 4 side door, 4 window, 4 door, 4 roof, 4 floor, 4 wall, 4 ceiling, 4 furniture, 4 fixtures, 4 fittings, 4 appliances, 4 equipment, 4 tools, 4 materials, 4 supplies, 4 services, 4 utilities, 4 communications, 4 transport, 4 travel, 4 leisure, 4 entertainment, 4 education, 4 health, 4 fitness, 4 sports, 4 hobbies, 4 interests, 4 passions, 4 dreams, 4 aspirations, 4 goals, 4 ambitions.

LONDON PROPERTY

Jackson-Stops & Staff

On the instructions of the National Bank Egypt International Ltd.

14-15 Courtfield Gardens

London SW5

An opportunity to acquire two interconnecting houses with planning consent for conversion into 19 flats.

In all about 1,727m² gross internal.

Freehold with vacant possession.

For Sale by Tender

Closing date noon on Tuesday 21st December 1993.

Apply: Jackson-Stops & Staff, 22 Hans Place, London SW1X 0EP

Telephone: 071-589 4536/071-416 0590.

Facsimile: 071-416 0591.

LONDON - HAMPSHIRE AREA

Levy's free listed street. Beautifully renovated flat with welcoming atmosphere. 4 bedrooms, double sized reception room, dining room, kitchen fully equipped, bathroom, hallway and 3 separate wc, gas central heating, wood burning stove, high ceilings. Well maintained garden with high walls. Located within walking distance to shopping, transportation and restaurants. Leasehold/freehold title. Owner asks £250,000. Will also consider rental £350 per week. Elegantly furnished, baby grand piano. Immaculately available.

Tel: 0204 391319 Fax: 0204 391351

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

For details or to view call 0204 391319

SWITZERLAND VILLAS FOLLOW the Daphne

If one is looking for the ultimate, unspoiled environment to own a home for security and part-time or permanent residence. Villages in the region of Montreux in Canton Vaud offers the ultimate four season solution to pollution free, yet varied and full modern lifestyle, set in a cadre of national village values. Situated at a comfortable altitude of 1200 m, it offers every conceivable facility, from skiing to golf. Our brand new building "the Daphne" is a small, select, levelled development available for sale to non-resident foreigners, situated in the very heart of the resort. It is quite simply, beyond words, but within reach and commuting distance from Geneva, Lausanne, Bern, Gstaad and just about anywhere else in Switzerland or all of Europe. We are delighted to offer for the first time to the British public, these 1 to 3 bedroom incomparable chalet style apartments. There has never been a more beautiful development in the resort, or arguably anywhere in the French speaking region of Switzerland.

Deposits from £15,000

Up to 80% financing available of Swiss Franc mortgage rates of approx 6%

Those frehold properties represent the very best example of apartments, chalets and houses which we build, manage and promote in Switzerland and America. Lennox Properties International is a British owned Swiss company with over 20 years experience, offering full advice on investments, both Swiss and worldwide. Company documentation and work permits for clients seeking permanent Swiss or U.S. residence status.

For further information please call us on:

071 585 9482 or 081-250 6875/194 days, evenings and weekends up to 10pm

LENNOX PROPERTIES INTERNATIONAL

For further information please call us on:

071 585 9482 or 081-250 6875/194 days, evenings and weekends up to 10pm

LENNOX PROPERTIES INTERNATIONAL

For further information please call us on:

071 585 9482 or 081-250 6875/194 days, evenings and weekends up to 10pm

LENNOX PROPERTIES INTERNATIONAL

For further information please call us on:

071 585 9482 or 081-250 6875/194 days, evenings and weekends up to 10pm

LENNOX PROPERTIES INTERNATIONAL

For further information please call us on:

071 585 9482 or 081-250 6875/194 days, evenings and weekends up to 10pm

LENNOX PROPERTIES INTERNATIONAL

For further information please call us on:

071 585 9482 or 081-250 6875/194 days, evenings and weekends up to 10pm

LENNOX PROPERTIES INTERNATIONAL

For further information please call us on:

071 585 9482 or 081-250 6875/194 days, evenings and weekends up to 10pm

LENNOX

SPORT AND MOTORING



An open book: Jim Courier, whose confidence has ebbed away, during a break in his defeat by Andrei Medvedev

Tennis/John Barrett

A millionaire's dented ego

CHIRSTMAS comes a little early in the world of professional tennis. This week the eight men competing in the IBM/ATP Tour Championship in Frankfurt will divide between them \$2.75m. In three weeks' time five of the men from Frankfurt will be joined by another 11 in Munich to contest the \$3m Compaq Grand Slam Cup, with its record first prize of \$1.5m. I think Santa Claus can safely afford to strike 19 names from his list of calls this year.

The ridiculous thing is that the players themselves will not be thinking about the money. They do not need to: the wolf has long ago given up calling at their addresses.

What does matter to these battle-scarred competitors is self-fulfilment. In a highly charged individual sport where egos are dented with each defeat, success is everything. Yet, inevitably there will be losses. Coping with this mental pressure is one of the most difficult lessons a professional sportsman has to learn. The people who have exploited this simple but fundamental fact are the sports psychologists.

Ever since Timothy Gallwey's *Inner Tennis* appeared in 1976 the gurus have proliferated. All they have done is to dress up in new clothing the techniques used over the years by successful coaches like Australia's Harry Hopman and Maureen Connolly's adviser "Teach" Tumnant. These people, and others who have followed like Nick Bollettieri and Bob Brett, have been great motivators.

There has been interesting evidence in Frankfurt this week of the negative and positive aspects of this process. Take Pete Sampras and Jim Courier, for instance. Boyhood pals when they had attended the Bollettieri Academy in Florida, Jim and Pete won their first important title together in Rome in 1989. I remember Pete's excitement in the locker room afterwards when he was struggling with the local telephone system while trying to relay the good news to his parents that he and Jim had just become the Italian Open doubles champions. There was little thought then that the friends would become such rivals.

In February last year Jim rose to the top of the world rankings, a position from which he was displaced by Pete last April. Inevitably their relationship was under strain. "We're not as close as when I first turned pro (1989). We don't really talk but we're still good friends," Sampras had said the time.

Then Courier lost his French title to Sergi Bruguera in a final he should have won. His ego was clearly dented. It was a mark of the skill of his coaches, Jose Higueras and Brad Stine, that Courier was able to bounce back from that disappointment to reach the Wimbledon final against Sampras. No-one had expected him to go as far. But, well as he played (and if he had taken the fourth set against a string opponent I believe he might have won), Jim still lost once more to his rival. Another dent for the ego.

At the US Open top seeded Courier, who had briefly regained the No 1 ranking, crashed to the Frenchman, Cedric Pioline in the fourth round. The ego buckled further. Sampras inflicted more damage by winning the tournament to re-establish himself atop the computer list.

Before Frankfurt began Sampras had made certain of ending the year as the No 1, a fact that must have contributed to some very odd behaviour from Courier this week. Once he had lost his opening match to Michael Chang - a 6-4 6-9 drubbing that suggested a fatalistic approach to the week's events - Courier must have known he would not reach the final as he had done last year. Yet afterwards he had bravely claimed "I can still win it. Remember I lost one of my round-robin matches last year."

Behind the scenes Higueras was working overtime. By Wednesday he had persuaded Jim that he was going to beat Andrei Medvedev and then tame Michael Stich yesterday to reach this afternoon's semi-finals. The first part of the plan almost worked. In spite of seeming more interested in reading a novel at the changes of ends instead of thinking about his tactics, Jim actually served for the match against the Ukrainian and held four match points before losing 6-3 1-6 7-6.

His comments afterwards, revealed an attempt to protect the ego from further damage by pulling the blinkers firmly over his mind's eye. "My concentration has never

been better. I have never been more focused," he claimed. "But why were you reading *Maybe The Moon*," he was asked. "It's an interesting book. I just felt like reading it," he said.

It cannot be easy for the official World Champion to accept that he is no longer the best player in the world. Ivan Lendl has found it difficult to admit that his career among the top players is over. The same realisation has been painful for Boris Becker. The brilliant winner last year, Boris failed to earn a place this time. Like another former No 1, Stefan Edberg, whose form also seems to be slipping, he must now face other priorities - marriage and parenthood.

Sampras understood. "It's been a pretty frustrating year for Jim. When you come so close to winning two Grand Slams... and I can relate to that after losing to Edberg in '91 in the US Open final, it can be frustrating. He's just burnt out, he needs some time off, get his batteries charged up for Australia. He'll be fine. I mean he's got a good head on his shoulders," he said.

This from a man who admitted that his loss to Courier at the 1991 US Open had "got the monkey off my back" following a year of mental anguish in the wake of becoming the youngest ever US champion in 1990. Yes, the mature 22-year-old, battle-hardened in the cauldron of competition and well advised by his coach of two years, Tim Gullikson, knew exactly how his friend felt.

Rugby Union/Tom Fort

A lament for the muddy bath

THE LAST man I saw playing rugby union in an old-fashioned scrumcap was my eldest brother, who has a very large head. He looked more than usually ridiculous in it, with his hair standing out in wild tufts between the straps and pads. But there was another, more serious, handicap. The contraption blotted out all sound, including the referee's whistle.

He wore it for a single game. On two of three occasions he rampaged downfield, ball in hand, glory beckoning. Each time the unaccustomed exhilaration of having outstripped the defence eventually gave way to suspicion at the absence of pursuit. He stopped and turned, to find us all scoffing at a distance; then trudged back to take his place at

the scrum which the referee had summoned.

A version of the old-style scrumcap does still have its adherents, particularly in rugby league. Gary Schofield has worn one in the test matches against New Zealand, a helmet which recalls John Wayne as Genghis Khan, galloping across the wastes of Mongolia.

But in the union game it has been chucked on to the scrapheap, to join knee-length shorts, banana-

shaped boots, and those fat, rain-heavy balls which, on raw November afternoons, descended from grey skies like mortar shells. Elasticated strapping has become the vogue method of protecting ears. This comes either wide and thick, making the wearer look as if he had suffered a shrapnel wound; or thin and mean, as sported by Brian Moore (who is mean, but not thin).

The decline and fall of the scrumcap has been mirrored by that of

the other icon of rugby, the cauliflower ear. Once, this was the indispensable trademark mark of those warriors of the front and second rows. The shapeless mass of pulverised gristle and cartilage on the side of the head was a badge of honour, a silent legacy of hard times, - murky misdeeds, sacrifices gladly made.

Actually, of course, this is sentimental nonsense. No one in his right mind would wish to go

through life with ears resembling lumps of uncooked sausage meat. It would be absurd to object to the use of elasticated strapping if it prevents such disfigurement; nor, even, to the spectacle - recently shown on television - of Wade Dooley having his cauliflower ear festooned by a leech in an effort to get rid of the swelling.

Nor, if I am honest, can I become emotional about that time-honoured accessory, the jockstrap. For

years the powers that be have been urging the abandonment of this article of dress, on the grounds that it is a seedbed for the infectious and revolting herpes known as scrum-pox. The Rugby Football Union want it replaced by swimming trunks and it would be were foolishness to argue otherwise.

But the communal bath is another matter. It lies at heart of the culture of rugby union. True, the spectacle of a score and more of

hairy, fleshy, battle-scarred bodies floundering in a huge tub of muddy water can be something of an affront to those of a sensitive disposition, particularly if the air is booming with the vile obscenity of the usual rugby chorus.

On the other hand, a shower cannot provide the balm to raw abrasions, stretched muscles and twisted joints that comes with total immersion. The authorities from, muttering about disease and uncleanliness. But are there not infectious lurking in the cracks between the tiles beneath the shower? To be indelicate, have they not heard of verrucae and allied horrors? So, let the taps gush and the steam rise and the bodies intermingling. Leave the harmless institution of the post-match plunge alone.



"At LGC we do wonderful things with greens..."

For The London Golf Club Course Manager Joe Paulin, who trained in turf management at Purdue University in Indiana, British winters are a special challenge.

With the most up-to-date maintenance practices allied to USGA green construction, Joe and his team have ensured that temporary greens have no place at LGC. Neither, for that matter, have mats. Golf was, after all, intended to be played off grass.

For Chef Steve Smoleosky, trained at the George V, winter greens also present a challenge. With a magnificent International Restaurant and casual eating in the Spike Bar and Teppanyaki Bar, Steve has plenty of opportunity to show off his skills.

The attention to detail at LGC is second to none. There are two magnificent courses - one designed by Jack Nicklaus - with five tees at each hole, so you need never

grow bored. In fact the whole design is geared to providing fun and challenge for low and high handicap players alike.

All this is available with just a short drive (and 3 iron) from Central London.

For a copy of the new brochure or to arrange your visit round the Club 'phone 0474 854466 or fax 0474 854798.



Simply Europe's Best

Alternatively just pop your business card in an envelope and post it to The Membership Secretary (FT), The London Golf Club, South Ash Manor Estate, Stansted Lane, Ash, Nr. Sevenoaks, Kent TN15 7EN.

How many Club Captains: Jack Nicklaus; Honorary Members: The Rt. Hon. Lord Decades MC; Sir Paul Gribble; The Rt. Hon. Lord Prior; Sir Denis Thatcher; The Rt. Hon. Lord Young of Grafton.

Test drive
The big cat
that got away

THE LEXUS GS300 is the kind of car Jaguar must produce one day. It is sporty yet urbane, dignified but not stuffy. The soft leather and wood veneered interior is good taste personified. Something like it could, in fact, have been a Jaguar. At Geneva motor show in March 1990, the Italian stylist Giugiaro exhibited a concept car called Kensington. This curvy four-door saloon had a Jaguar V12's mechanicals. Jaguar looked it over carefully but reckoned it was not quite the kind of thing their customers should have.

Toyota - Lexus is its up-market brand - also studied

Stuart Marshall
tries out the
futuristic Lexus
and is impressed

Kensington and was rather more impressed, deciding to make it the basis of its classy Aristo three-litre luxury saloon. Essentially the same car has just reached Britain as the Lexus GS300.

It looks quite a bit smaller than the original Lexus LS400, the seductively silent V8 that has seduced some Britons - and a great many Americans - out of their BMW 7-Series and Mercedes S-Class saloons.

But appearances deceive. The Lexus GS300 is only a couple of inches shorter than an LS400, bigger than a Mercedes E-Class or BMW 5-Series and almost identical in size to a Jaguar XJ-6.

Its three-litre, 308 horsepower straight six is the same engine that powers the new



The Toyota Lexus GS300 puts one of Japan's poshest and most prestigious marques in reach of more buyers.

Toyota Supra but without the twin turbochargers. Like the high-class European cars it has been aimed at, GS300 has rear-wheel drive and standard automatic transmission.

Unlike most of them, it comes with absolutely everything a business motorist could wish for. The \$31,850 price includes air conditioning, power adjusted and heated front seats, cruise control, leather trim, driver and passenger airbags, autochange CD player and a powered tilt-telescope steering wheel. Ignition key out, the wheel raises itself and moves forward to make getting in and out easier. Put the key in and the wheel resumes its pre-set position.

It goes beautifully. The suspension is just a little firmer than that of the Lexus LS400 and you are more aware of the kind of surface the 55-series Bridgestone tyres are rolling on. At British motorway speeds wind noise is negligible. You hear the engine only when accelerating hard enough for the transmission to hold second to over 60 mph (80 kph) and third to well over 70 mph (112 kph).

I see the GS300 more as an alternative to a BMW 530 than a Mercedes-Benz E-Class or a Jaguar XJ-6. It is a difficult point to put into words but it lacks the gravitas that appeals to Mercedes and Jaguar (and for that matter, Bentley) buyers. For younger people this is, of course, a plus.

For the size of car, rear-seat space is adequate rather than generous; the boot is wide and deep enough to swallow easily two golf bags in their trolleys; and the GS300 has the best headlights I have ever driven behind.

Choose the finest handcrafted cutlery

SAVE OVER
25% ON FULL
SETS

For a limited period, you can buy a 44-piece set of Britain's finest cutlery at these very special prices:

SILVER PLATED	SOLID SILVER	STAINLESS STEEL
SPECIAL PRICE £450	SPECIAL PRICE £1295	SPECIAL PRICE £290
NET PRICE £400 SAVING £50	NET PRICE £1195 SAVING £100	NET PRICE £240 SAVING £50

Prices include VAT. Smaller or larger sets available.

Three major quality awards in the last three years alone give our magnificent extra heavy cutlery a pedigree which is unsurpassed.

The choice we offer is equally impressive! 18 beautiful patterns and a huge selection of extra serving pieces too.

Quite simply the finest cutlery in the world at remarkably low prices because we supply you direct. And if you buy now you can save even more with this superb offer.

Send for details by completing the coupon, telephone during business hours or fax us anytime. Personal callers are warmly welcomed.

FOR A LIMITED PERIOD

United Cutlers
of Sheffield

Peter Street, Sheffield S4 4LL Phone: 0742 439984 Fax: 0742 437128

Please send me full details of your cutlery sets at special prices.

Title: _____ Name: _____

Address: _____

Post to: United Cutlers, FREEPOST, Sheffield S4 7ZZ (no stamp required) FT153875



John Barrett

PERSPECTIVES

Why the FT knows its school tables

John Authers compares the FT's league list with the government's survey - and finds some interesting differences

IF YOU are a parent, you are probably suffering from statistical overload. Barely a fortnight after the FT-1,000 survey, which identified the top performing schools at A-level, the Department of Education this week weighed in with an even more ambitious exercise - figures for every secondary school in the country on GCSE, A-level, and vocational qualification pass rates, along with a much criticised truancy league table.

Which survey is better? The short answer is that the Government's survey is better at identifying "problem schools". Our survey is better at giving an accurate guide to the A-level performance of the top 1,000 schools. The response to our survey this year was excellent, but, unlike the Government's, it cannot claim to be comprehensive. The Government figures show that a small number of schools which declined to take part in our survey could have made it into our top 1,000 list.

The main difference between the two surveys is that at A-level, our data is more detailed and the scoring system subtler. Our score gives equal weight to the quality and quantity of A-level achievements for a group of pupils, whereas the Government focusses more narrowly on the quantity of A-level results achieved this year.

For this reason a league table based only on the government figures would produce some absurd results. For example, Winchester College, Manchester Grammar, and St Paul's Girls' come only 45th, 46th and 47th respectively on the government's score, but much higher on ours. This is because at the best schools, some pupils take one or more A-levels a year early, and many of them do not bother with General Studies at A-level, a subject excluded from our survey. However Government figures shed some interesting light on top schools.

What evidence is there, for example, that GCSE performance is replicated at A-level? No fewer than 46 schools with sixth forms managed to shepherd all their 15-year-olds to five or more passes at a grade equivalent to the old-fashioned O-level. Of these, the total variation in A-level points (where an A equals 10 and an E equals 2) was from 37.4 by King

Edward's Birmingham, to 13.5 by the Atherley School in Southampton. The GCSE table ranks the 26 top-performing GCSE schools according to their A-level scores.

While the FT showed 23 state schools in the top 200 (up from three in 1992), the government showed 48 in the top 200. The government split all A-level candidates into those taking two or more and those taking fewer than two. This will allow easier comparison with tertiary and further education colleges. As many of these colleges concentrate on vocational education, with students possibly only attempting one A-level, comparison might otherwise be unfair. However, the division is unhelpful when comparing schools devoted to academic qualifications.

A less important point is that the government included general studies in its calculations, while the FT omitted it in the light of widespread questioning of the qualification by academics and university admissions tutors. However, its inclusion by the government allowed King Edward's and King Edward VI High in Birmingham to shine with average A-level point scores of 37.4 and 33.4 - both suggesting an average achievement better than three grade As. Both schools excelled in the FT survey, but the government appears to overstate their superiority.

Two other comments provoked by the FT's survey are important. One is that some schools are claimed to try to improve their scores by rejecting 16-year-olds who will not do well. This is not likely to be popular with parents in the private sector and state schools would find it difficult to reject aspiring sixth formers with adequate qualifications.

Even so, it is interesting that Cherwell, the nation's third best comprehensive at A-level according to FT data, serving a plump academic catchment area in north Oxford, recorded a distinctly mediocre performance at GCSE. Only 58 per cent of its 15-year-olds passed five GCSEs at grades from A to C. Some 193 comprehensive schools across the country managed to do better.

Parents' "whistle" children might have difficulty getting as far as A-level will therefore want to look at more than just A-level figures. Cherwell's fig-



Schools in the top 1000 A-level list are those with particularly large numbers of A-level candidates deserve more credit than bare statistical averages suggest

Rank	School	Town/County
1	St Paul's	Barnes, Greater London
2	Winchester College	Winchester, Hampshire
3	North London Collegiate	Edgware, Greater London
4	Westminster	London
5	King Edward's	Birmingham
6	Eton College	Windsor, Berkshire
7	St Paul's Girls'	Hammer Smith, London
8	Manchester Grammar	Manchester
9	Willington Girls	Wimbledon, London
10	King's College	Wimbledon, London
11	Bradford Grammar	Bradford, West Yorkshire
12	Haberghampton Aske's	Borehamwood, Hertfordshire
13	King Edward VI High	Birmingham
14	Guilford High	Guilford, Surrey
15	Haberghampton Aske's	Elstree, Hertfordshire
16	Wycombe Abbey	High Wycombe, Buckinghamshire
17	Nottingham High	Nottingham
18	South Hampstead High	Hampstead, London
19	St Albans High Girls	St Albans, Hertfordshire
20	Godolphin & Latimer	Hampstead, London
21	Tonbridge	Tonbridge, Kent
22	Perse School	Cambridge
23	Portsmouth High	Southsea, Hampshire
24	City of London	London
25	Royal Grammar	Guildford, Surrey

Rank	School	County
1	King Edward's	Birmingham
2	Chelmsford High for Girls	Chelmsford, Essex
3	Loughborough High	Loughborough, Leics
4	Bablake	Leicestershire
5	King Edward VI Camp Hill Boys	Birmingham
6	Colchester County High for Girls	Colchester, Essex
7	Nottingham High for Girls	Nottingham
8	St Peter's	Chilton, York
9	Downe House	Newbury, Berkshire
10	King Edward VI Grammar	Stratford-upon-Avon
11	Stockport Grammar	Stockport, Cheshire
12	Manchester Grammar	Manchester
13	Emmott's Grammar	Slipston
14	Alice Ottley, The	Upper Tything, Worcs
15	Twyne House	St Albans, Leics
16	Merchiston High for Girls	Cresby, Liverpool
17	Manchester High for Girls	Manchester
18	South Hampstead High	London
19	Bradford Girls' Grammar	Bradford, W Yorks
20	Royal Grammar	Guilford, Surrey
21	Red Mts, The	Westbury-on-Trym
22	Lady Eleanor Holles	Hampton
23	St Mary's	Calne
24	Queen Mary's High	Walsall
25	Eltham College	Mottingham

ures suggest that schools which get the most out of children above the age of 16 may not be so adept at nursing them through GCSE.

Allegations of deliberate "pruning" of pupils by schools at 16 have led the Conference for Independent Further Education, which includes mainly "grammar" schools specialising in A-levels, to ensure that all their A-level results are audited by external consultants.

There is also the question of size. The bigger a school, the harder it will be to maintain a

strong average across all pupils, unless it is highly selective. However, parents of gifted children may prefer schools with a large sixth form because of the likelihood that it will include a sizeable nucleus of other similarly able pupils.

Therefore, it seems fair to say that schools with particularly large numbers of A-level candidates deserve more credit than their bare statistical averages suggest. Some very large schools, including Eton, Manchester Grammar, and Haberghampton Aske's, featured at the top of the table. Others

which might have been overlooked somewhat unfairly include Dulwich (89th, with 186 entrants), Sevenoaks (89th, with 173), Marlborough (144th, with 202) and Millfield (188th, with 234 candidates).

Finally, the FT's method of calculation was more complex than the government's. Each school's rank and position were produced by using the UCAS points per pupil (PPP), measuring the quantity of grades obtained, and the average number of UCAS points per subject entry (PPE), which

measured the quality of grades.

A school in which every pupil scored exactly three A grades would have an average PPE of 30 and a PPP of 10. To give each figure approximately equal weight, the PPE was multiplied by three before being added to the PPP. Our final figures provided an index from which the rank positions were awarded. We scaled this score for convenience so that the average for all the schools in our sample was 1.0. A school with a score of 1.2, was thus 20 per cent better than average.

GOVERNMENT A-LEVEL TABLE

	Average point score	
1 King Edward's School, Birmingham	37.4	N/A
2 King Edward VI High School for Girls, Birmingham	33.4	N/A
3 King's School, Chester	30.5	6.8
4 Merchant Taylors' Boys' School, Liverpool	30.0	3.5
5 Chelmsford High School for Girls	30.0	2.0
6 Wolverhampton Grammar School	29.9	N/A
7 Queen's School, Glastonbury	29.5	N/A
8 Hampton School, Middlesex	29.4	N/A
9 Eton College, Windsor	29.1	6.8
10 King Edward VI Grammar School, Chelmsford	28.8	5.0
11 Loughborough High School	28.8	N/A
12 Bablake School, Coventry	28.7	N/A
13 Loughborough Grammar School	28.6	10.0
14 St Paul's School, London	28.6	7.8
15 Bolton School Girls' Division	28.5	N/A
16 Westminster School, London	28.4	8.1
17 North London Collegiate	28.3	3.7
18 Newcastle-under-Lyme	28.3	N/A
19 King Edward VI Camp Hill School (Boys), Birmingham	28.2	5.3
20 Wittington Girls' School, Farnfield	28.2	4.5
21 Colchester County High School for Girls	28.2	2.9
22 Queen Elizabeth Grammar School, Wakefield	28.2	2.7
23 Leeds Grammar School	28.0	6.0
24 Witton Park High School, Blackburn	28.0	6.0
25 North Border Comprehensive School, Dorchester	28.0	N/A

First figure gives average points score for pupils taking two A-levels or more. Second figure gives points score for those taking fewer than two.

Errors and omissions

WE APOLOGISE to four schools mistakenly omitted from our table. These were Or Chalfont, Buckinghamshire, which achieved an FT score of 1.12 and a rank position of around 272nd; Jewish Free School in Camden, London, a comprehensive which opted out this September, with an FT score of 1.05 which placed it around 378th; Southend High School for Boys, a grammar school with an FT score of 1.01, placing it around 430th; and The Embury School, a comprehensive in Wokingham, Berkshire, with an FT score of 0.91, placing it around 598th.

Questionnaires were sent to the 1,100 top performing state schools according to last year's government statistics. State schools which did not co-operate with us would therefore not have appeared although we hope that they will change their minds next year.

However, this meant that a few schools with sharply improved performance were

omitted. These included the Weald of Kent Grammar School, in Tunbridge, which last year only managed 11 UCAS points per pupil. This year it scored 13, which would give an FT score of 1.08, placing it around 318th. The questionnaire for Lady Margaret School, in Parson's Green, London, appears to have gone astray and the school did not appear in the FT list but it scored the highest GCSE pass rate for any state school in inner London.

On fees, the annual boarding cost for UK students at Carmel College in Wallingford, Oxfordshire, is £12,450. The fee of £16,410 given in our table is for foreign students.

A mistake in the other direction incorrectly put New College, Cardiff, at the top of our "value for money" table. In fact it should not even have appeared in the top ten, and the best value school by our rough criteria was St Gerards, Bangor.

No school featured in the survey has raised any query about the exam results printed.

As They Say in Europe/James Morgan

Strange days for Social Chapter

THE ROLE of Britain in Europe - I bet that puts you off - could be changing. From infant terrible to bête noire, it may now be on its way to *ennée grise*. These thoughts, were inspired, if that is the word, by this week's annual conference of the Confederation of British Industry and the reflections of the London correspondent of *Liberation*, Julien Lefranc. "Not European, the British? The cliché has to be adjusted," he wrote. Now, the CBI has not usually been regarded as one of the great engines of change that drives British society and Lefranc took care not to let anybody think it was. He just took, as a symbol of British reality, the marked preference for a single currency in the European Union which was expressed by business leaders

in a CBI survey. Howard Davies, the CBI's director-general, spoke of wanting to avoid a situation "where there was a single currency over there and a single currency over here."

That, said Lefranc, was a demonstration of pragmatism; the CBI recognised that it could export more if it operated in a single currency area.

This was contrasted, not with the views of the government, but with those of the City of London. For the City "Bleek Wednesday," when sterling had been ejected from the ERM, "had been regarded as a personal victory by many

London financiers and investors." The event had saved a vast foreign exchange market which brought them large profits. But in fact, the paper concluded, these were marginal matters. The City was not really against industry on matters European; it was firmly in the European camp, for the Community provides a "plus for Britain."

So, rather disappointingly, the paper concluded, there was no real debate in Britain about Europe. Any differences today are mere nuances. And Jacques Delors should rejoice. So much for an article that

started out with such promise. But you can see why the situation in Britain might be regarded as somewhat more placid than we had suspected. So maybe the British are more European than they think. If one removes the theatrical, even hysterical, element which plays such a large part in domestic political debate, the basis of that debate is hardly different from anything in France or Germany: the role of the nation in a wider union, the problems of achieving a single currency and whether it can be done at all.

But there is still the Social

Chapter, a classic example of the divide between Britain and the rest, and of how things can get out of hand. The British take this component of the Maastricht treaty at more than its face value. But Article 1 consists of banalities about improved living and working conditions, with a nod at their diverse meanings in different member countries. Article 2 says the Council of Ministers can agree on what might be done to further those aims. In Europe this is all symbols and horse-trading, as well as a reflection of certain aspects of industrial management that

have proved quite successful. But the British government, and in this it has the full support of employers, refuses to have anything to do with any of this. The Social Chapter is meaningless and it means higher costs. So no British minister of civil servant will play any role in its development and implementation. But the Labour Party supports it. One day maybe a Labour government may sign up to the social chapter; by that time it will have taken on a character that may be contrary to Britain's interests. Undoubtedly, whatever happens,

Britain will follow the iron rule that has guided all post-war policy towards Europe: whatever the organisation, whatever the system, the British must join at the wrong time.

However, there is just one curious difference in the present situation. When it comes to discussing and voting on the implementation of the Social Chapter, British members of the European Parliament will not be excluded. They can therefore vote on matters from which British ministers are excluded. This fact is only now starting to

sink in Europe and has caused alarm in Paris. It should not for, as it happens, Labour has, and presumably will continue to have, a majority among MEPs and will vote with other "socialists." So the Social Chapter will benefit from the input of the official opposition in Britain but not from that of the British government. Now that is what makes the British different, not real Europeans. No other government hands its opponents free gifts like that. When others press for a ban on British Euro-MPs participating in votes on the Social Chapter, will the British government show its Euro-credentials by taking the lead in that campaign?

No, I was wrong, the British are not *ennée grise*, but wise fools, *idiot savants*. James Morgan is economics correspondent of the BBC World Service.

Minister for a Day/Jonathon Porritt

Five executive decisions

AS environment secretary for a day, I make an early start, arriving by helicopter at the hideously ugly Marsham Street Tower in central London, in which the Department of the Environment is located.

Demolition would seem to be the only solution for such unloved carbuncles, but I am not feeling sufficiently explosive so early in the day to order it then and there.

I do however note the paucity of bicycle racks. Five executive decisions before breakfast, essentially to knock off all the business Government has been promising to do, but has not quite managed: to bring the long-awaited Environmental Protection Agency into being before the end of the year; to reintroduce Peter Ainsworth's Hedgerow Protection Bill into the Commons in the next session - this time as an official Government Bill so that it cannot be talked out by those who see all such regulation as an unwarranted extension of the powers of the State; to implement the measures (already enacted by this Government in the 1990 Environmental Protection Act, but disastrously postponed in breach of EC Directives) to regulate operators of landfill sites

and toxic waste dumps more rigorously; to table the budget of the Energy Efficiency Office, starved for so long of cash and influence that it has not even managed to persuade Government departments to save any energy; to extend statutory protection to all Sites of Special Scientific Interest, the so-called "jewels in the crown of UK conservation", of which more than 500 have been damaged over the last two years.

Over breakfast, I realise that I could go on all day affecting equally useful bits and bobs of environmental legislation. But very few of them would leave the UK any more prepared to confront the challenge of sustainable development - embraced so enthusiastically at the Earth Summit last year by John Major, the prime minister - than it is today. Ironically, it turns out that the environment secretary has few direct powers to protect the environment. Real power lies in the Treasury and Industry, the Department of Transport and the Ministry of Agriculture.

A Munich point I seize hold of the phone, ring the prime minister's direct line, and persuade him to extend my powers for a day to address environmental issues within

those departments. First stop, the Department of Transport. The first decision is to axe most of the £24m road building programme which until now has been mysteriously immune to cost-cutting pressures from Clarke and Porritt. (Anticipate considerable brownie points from these two gentlemen, which could come in very handy later.) Retain only those by-pass schemes which have the overwhelming

'I would bin the fatuous plans for privatising British Rail'

support of the towns and villages involved.

Then I would do everyone a favour, including John Major, the transport minister, by binning his fatuous plans for privatising British Rail, and redirecting around 50 per cent of the money saved on the road programme to new investment in rolling stock and electrification projects.

Simultaneously, I would authorise local authorities to introduce road pricing schemes on roads for which they are

responsible, on condition that the proceeds are earmarked specifically for investment in new light rail or tram systems, in further traffic-calming measures (which have already proved popular), and in measures to promote cycling. (You may think I am a bit obsessed by bikes, but don't you realise there are 5m riders?) From there to the Department of Trade and Industry with a modest brief to shame them into implementing the recommendations of the Advisory Committee on Business and the Environment - a committee made up of leading business representatives which the DTI itself established but has since systematically ignored. Even the business community is fed up with this Government's prevarication in adopting the business case for sustainable development, let alone the ecological case.

Then to the Ministry of Agriculture to set aside the infamous Set Aside scheme, by designating the whole of the UK as an Environmentally Sensitive Area.

Last stop on my magical bicycle tour: the Treasury. Just two little reforms here: a complete revamp in the way we present the national accounts, relegating gross national prod-



Porritt wants road pricing

uct so that it becomes just one of the indicators of wealth used in a new index of sustainable welfare. There is nothing wrong with economic growth of the right kind, but the pursuit of growth at all costs as an end in itself is absolutely incompatible with achieving sustainable development.

Finally, end the day with a big bang by committing the Government to phasing out income tax entirely by 2000, and to recoup the missing £66m through new taxes on energy, raw materials and waste. That should get the jobs market moving. Back home for a large and well-deserved malt whisky, one of the most environmentally-friendly products known to man.

Jonathan Porritt is one of Britain's best-known campaigners on the environment.

Country note/Clive Fewins

Woodland ways

WOODS are as much a part of Britain's history as village churches and castles. But they are less respected, and often much more vulnerable.

Kenneth Watkins realised this from his early 20s as a farm boy in Somerset. However it was not until 40 years later, as a wealthy retired agricultural engineer, that he was able to put his lifetime's vision into practice by forming The Woodland Trust.

Now aged 82, from his retirement home in a village on the edge of Dartmoor, he still takes a regular walk in the nearby 100-acre Avon Valley Woods, the trust's first acquisition, that he negotiated 21 years ago.

He is the chairman of the trust, which owns some 594 woods and manages more than 20,000 acres of woodland, stretching from Cig on the Isle of Skye to St Ives in Cornwall. It has a staff of 80 at its headquarters in Grantham, Lincolnshire, and another 48 staff, including 30 woodland officers, around the UK, and an annual income of £5m.

Next week, National Tree Week, November 25 to December 5, the trust is celebrating its coming-of-age with a series

of activities. There are celebratory tree plantings, demonstrations, open days, guided walks and woodland management courses, all aimed at reinforcing the prime message of the trust - that woods, particularly those threatened by clearance, large-scale conifer plantation or neglect, need safeguarding.

A typical Woodland Trust wood is Lineover Wood, 100 acres of mixed ancient woodland near Cheltenham. The trust purchased it from the Severn Trent Water Authority in 1986 with the help of grants from The Countryside Commission, the Nature Conservancy Council, Cheltenham council, the World Wildlife Fund, trust members and local people.

Today it is presided over by 72-year-old retired nurseryman Roy Coates. Over the past six years Coates has spent an estimated 10 hours a week acting as voluntary warden.

With the help of his son, John, and volunteers he has been clearing scrub, improving the access and encouraging the regeneration of natural species.

"I couldn't think of a more satisfying way of spending my old age," said Coates, who used to tramp the wood as a boy.

Woods owned by the trust are mainly used for leisure pursuits, such as walking and riding. In addition there are the many people - the trust has 150,000 supporters that it contacts by post - who like nothing more than a few hours enjoying woodland peace.

The trust has a "Country Seats" programme in 13 of its woods which was started in 1983 in response to 25,000 legacy left by a long-standing member.

It also has a woodland creation scheme, launched in Suffolk in 1991, and expanded to include another five sites. Although the trust does not fell wood specifically for sale, selling timber felled for management purposes forms a significant proportion of the trust's income.

John James, director of the trust since 1980, says it is, on average, acquiring woods at the rate of one a week. He believes that sympathetic land ownership is the best way for the trust to offer the long-term protection that woodlands need.

The Woodland Trust, Autumn Park, Grantham, Lincolnshire NG31 6LL. Tel: 0478-74297.

FOOD AND DRINK FOR CHRISTMAS

Let fax and phone do the walking

With the holiday fast approaching, Nicholas Lander and Jancis Robinson pick their top food and drink suppliers

WE ARE encouraged to repeat last year's Guide to Armchair Shopping by an account of how one reader made full use of the column recommending top-class food producers.

The reader, a "legal eagle" during the week and a keen cook at the weekend, returned home late one night, sat down with his *Weekend FT*, worked out his requirements and sent them off by fax. In spite of the fact that it was late at night he received confirmation of one order, for wild boar, by return - obviously from a farmer who keeps his fax machine in the bedroom. Three days later the boar was delivered.

We hope that this year's guide will save you all considerable backache.



Wines and spirits
Most wine merchants are organised, and only too pleased, to despatch a case of wine by post or courier. However, the following are the most consumer-friendly either because they have particularly appetising lists, have given special thought to

the quality of the cartons they use to minimise breakages, and/or because they have created a wide range of gift packs.

Adams, The Crown, High Street, Southwold, Suffolk IP19 6DP. Tel: 0502-724222, fax 0502-724805. The substantial, well-illustrated list is an annual *cri de coeur* from Adams' Simon Loftus, Britain's most benevolently opinionated wine merchant.

John Armit Wines, 5 Royalty Studios, 105 Lancaster Road, London W11. Tel: 071-727-6846, fax 071-727-7133. Distinctive and glamorous list with intensely personal comments

and blasts from some of Armit's longstanding intimates among the great and the good of the wine world. Cases only.

Berry Bros and Rudd, 3 St James Street, London SW1A 1EG. Tel: 071-396-9600, fax 071-396-9611. Their glassware, particularly claret jugs, would make a first class present.

Eckington Wines, 2 Ravencar Road, Epping, Essex. Tel/fax: 0246-433213. Doctor emigrates from under-funded NHS to underpaid wine trade. Speciality: Australia, Midi, and good value.

Findlater Mackie Todd, Deer Park Road, London SW19 3TU. Tel: 081-543-7528. Now, Waitrose's mail order arm, but they have some much smarter wines than the supermarket chain: Jayer-Gilles' spectacular red burgundy Bourgogne Hautes Côtes de Beaune 1990, hors classe and worth £11.55; and the recy Goudrey Western Australian Chardonnay 1982 at £7.35 - a fine pair for Christmas dinner.

Gelston Castle, Castle Douglas, Scotland DG7 1QE. Tel: 0556-503012, fax 0556-504183. Wine merchant as wine writer: this list will tell you more than most wine

books. Great Germans and more.

Justerini & Brooks, 61 St James's Street, London SW1. Tel: 071-493-8721 and 39 George Street, Edinburgh. Tel: 031-226-4202. Excellent burgundy, Rhône, and Midi and carefully thought out gift packs.

Lay and Wheeler, Culver Street West, Colchester, Essex CO1 1JA. Tel: 0206-764445, 0206-584458. First class all round wine merchant. Very efficient and flexible. From Henschke Australians to Coche Dury burgundies.

Laymont & Shaw, The Old Chapel, Millpool, Truro. Tel: 0872-70545, fax 0872-223005. Spanish wine specialists with particularly attractive Cornish willow six-bottle cellar baskets for £29.50.

James Nicholson, 27a Killyleagh Street, Crossgar, Co. Down, N Ireland BT30 9DG. Tel: 0336-830091, fax 0336-833023. Admirable wine merchant on any basis.

The Nobody Inn, Doddscumbeligh, near Exeter, Devon EX6 7PS. Tel: 0437-53394. Enthusiasm is the all-too-rare keynote here. Very catholic collection.

Thos Peatling, Westgate House, Bury St. Edmunds, Suffolk. IP33 1QS. Tel: 0284-755948, fax 0284-705795. Best value in petit chateau clarets.

Raid Wines, The Mill, Marsh Lane, Hallatrow, near Bristol RS18 5EB. Tel: 0761-52645, fax 0761-453642. Particularly good for one bottle of a rarity, plus advice on whether it is really worth the money.

Tanners Wines, 26 Wyle Cop, Shrewsbury, Shropshire SY1 1XD. Tel: 0743-232400, fax 0743344401. The archetypal country wine merchant with many branches in Welsh border country.

La Vignerons, 105 Old Brompton Road, London SW7 3LE. Tel: 071-589 6113. First rate Alsace, Midi and Provence; a treasure trove of single bottles.

Windrush Wines, The Ox House, Northleach, Cheltenham, Glos. GL54 3EG. Tel: 0451-860680 fax 0451-861166. New list full, as ever, of plums and sound advice.

The Wine Society, Gunners Wood Road, Stevenage, Hertfordshire SG1 2RG. Tel: 0438-741177, fax 0438-741392. Unique, customer-led ethos and some excellent wines:

cherries, Gratin champagne (both the Society's NV and a lovely 1985 at 19.50) and a very serviceable St Emillion in Vieux Chateau Rocher Corbin 1989 at £5.15.

The Scotch Malt Whisky Society, The Vaults, 87 Giles Street, Leith, Edinburgh. Tel: 031-5543451, fax 031-553 1003. Annual membership £40 which includes an introductory bottle worth 30. Extensive range of individualistic, and potent, malt whiskies.

Meat, Poultry and Game.
Dukes Hill Farm Co, Bridgnorth, Shropshire WV16 6AP. Tel: 0743-53519, fax 0743-53533. Whisky and York hams, whole and sliced.

Fletcher's Fine Foods, Reedhill Deer Farm, Auchtermuchty, Fife KY14 7HS. Tel: 0337-28369, fax 0337-27001.

Joint of venison, venison paté, juniper berries and recipes for cooking venison.
Goodman's Geese, Walsgrove Farm, Great Witley, Worcester WR6 6JJ. Tel: 0299-986272. Free-range, extra meaty geese.

Heal Farm, Kings Nympston, Umberleigh, Devon EX37 9TB. Tel: 0769-574341, fax 0769-572539. Top quality meats, particularly rare breeds of pig, but at top prices.

Ian Miller's Organic Meat, Jamesfield Farm, by Newburgh, Fife KY14 6EW. Tel: 0786-85489, fax 0786-85741, for tip-top Scottish beef.

Meat Matters, 67, Woodland Rise, London N10 1UN, 081-442 0658. A very personal service of elegantly wrapped organic meat for London only.

Rannoch Smokery, Kinloch Rannoch, Pitlochry PH16 5QD, Perthshire. Tel: 0882-63244, fax 0882-632441. Smoked venison for a delicious first course.

The Game Larder, Rushett Farm, Chessington, Surrey KT9 2NQ. Tel: 0372-749000. Game hung to order as well as deer, woodcock and wild boar.

Hereford Duck Company, Trelough House, Wozzbridge, Herefordshire HR2 9DH. Tel: 098-121767. A new breed of duck, the Trelough, bred by proprietor Barry Clark.

Loch Fyne Smokehouse, Clachan Farm, Cairndow PA26 3BH, Argyll. Tel: 04826-217, fax 04826-234. Oysters, smoked mussels and salmon.

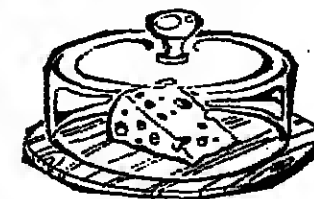
Minola Smoked Products, Kencot Hill Farmhouse, Filkins, Lechlade, Gloucestershire GL7 3QY. Tel: 0367-360391, fax 0367-360544. A distinctive range of meats and fish smoked without artificial flavours or colourings - quail, venison and guinea fowl - that make ideal party food.

Simply Salmon, Severals Farm, Arkesden, Saffron Walden, Essex CB11 4EY. Tel: 0795-550143, fax 0795-550039.

Summer Isles Food, Achitibuie, Ullapool, Ross-shire. IV28 2YC. Tel: 0349-884351, fax 0349-884074. Distinctive Smoked salmon and a kipper club.

Richard Woodall, Lane End, Waberthwaite, Milton, Cumbria LA19 5YJ. Tel: 0229-717237, fax 0229-717007. Delicious Cumberland sausages and hams, Parma-style air dried ham and first class bacon.

Seasalter Shellfish, The Harbour, Whitstable, Kent CT15 1AB. Tel: 0227-272003, fax 0227-264829. Pacific oysters from England's most famous oyster beds.



Cheeses
The 1990 Food Safety Act makes it impractical for the increasing number of quality conscious producers of farmhouse cheeses to reach their customers directly by mail order. What follows is a list of some of the country's top cheese retailers who will supply by post.

Chatsworth Farm Shop, Stud Farm, Belper, Derbyshire DE24 1UF. Tel: 0206-553352, fax 0206-553464. Produce from the Duchesse's farm and other top British producers. La Fromagerie, 30 Highbury Park, London N5 2AA. Tel/fax: 071-359-7440. Italian and French cheeses decorated for a dinner party.

Mrs Montgomery, Manor Farm, North Cadbury, Near Yeovil, Somerset BA22 7DW. Tel: 0963-40243, for an exceptional, unpasteurised Farmhouse Cheddar.

Neals Yard Dairy, 17 Short's Gardens, London WC2H 9AJ. Tel: 071-379-7645, fax 071-240-2442. The widest selection of British and Irish farmhouse cheeses which converts even the top French chefs.

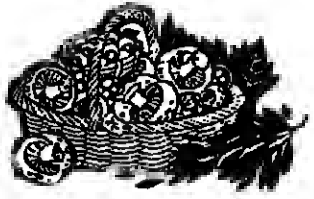
Paxton & Whitfield, 30 Jermy Street, London SW1 6JE. Tel: 071-930-0259, fax 071-358-9556. Stilton, Cheddar and hams by post.

Pugsions Food and Wine, Cliff House, 6 Terrace Road, Buxton, Derbyshire SK17 6DR. Tel: 0208-77696, fax 0208-77697. An interesting range of wines and cheeses.

The Mousetrapp, 3 School Lane, Lampeter, Llanidloes, Herefordshire. Tel: 0568-615512, and at 1 Bewell Square, Hereford (0432-353423).

Teifi Cheese, Glynhyndod Farm, Llandysul, Dyfed SA44 5JY. Tel: 0239-851528. Teifi is delicious, similar to Gouda.

Ticklemore Cheese Shop, 1 Ticklemore Street, Totnes, Devon TQ9 5EJ. Tel: 0803-865926. Beemleigh Blue, Blue Vinney and a range of Farmhouse Cheddars.



Herbs and dried mushrooms
A reliable source of herbs and dried mushrooms can make a great difference to your cooking, particularly during the winter months.

Gourmet By Post, 13 Hawthorn Road, Sutton, Surrey. Tel: 081-395-2391. Dried wild mushrooms from France - capes, girolles and morels - and black truffles.

Herbary Prickwillow, Mile End, Prickwillow, Cambridgeshire. Tel: 0353-88456. For herbs, edible flowers and herb plants.

Hill Farm Herbs, Park Wal, Brighthelm, Northamptonshire. Tel: 0536-373694, fax 0536-373246, for their "Herbs for Cooking" collection.

Idea Croft Herbs Ltd, Fritenden Road, Staplehurst, Kent TN12 0DH. Tel: 0580-901432, fax 0580-924116. For Rosemary Titterton's delightful range of herbs and edible flowers.

Mycologue, 35 King Henry's Road, London NW3 3QR. Tel: 071-722-4058, fax 071-294-4058. A catalogue of products for the keen mushroom collector.

Continued on opposite page

What makes Glenfiddich uniquely Glenfiddich?

- The Water -

Glenfiddich is the only 'chateau-bottled' malt whisky made in the Highlands of Scotland. Bottling at the distillery enables us to make Glenfiddich using a single source of pure natural water from a spring on the hillside near

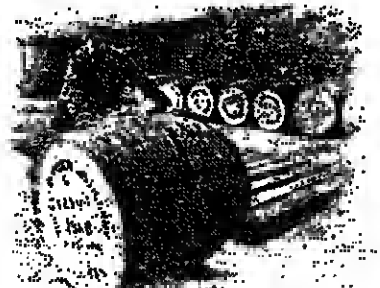
The Glenfiddich Distillery



Dufftown, above The Glenfiddich Distillery, which gives Glenfiddich its unique purity of taste. (In fact we have bought twelve hundred acres of surrounding hillside just to protect that small spring).

- The Colour -

The pale golden colour of Glenfiddich is entirely natural and



is acquired from the oak casks in which the whisky has matured.

- The Taste -

We achieve the celebrated taste of Glenfiddich by the unique

way in which we marry our whiskies. Glenfiddich is like a fine wine. As it ages its character forms and slowly matures. The first eight years in oak casks provide Glenfiddich's full distinctive flavour. In the succeeding decade the taste becomes more subtle and the whisky acquires great smoothness.

By marrying together carefully selected casks from these periods we create the smoothness, the depth of flavour and the delicate fragrance for which Glenfiddich is renowned.



- The Pleasure -

In the Scottish Highlands Glenfiddich is normally enjoyed with a little water to release its flavour and subtle aroma. In hot climates some aficionados enjoy Glenfiddich with ice as one of life's civilised pleasures - enjoyment is the only rule.

- Family Ownership -

Sadly, few distilleries in Scotland are still today in the hands of the families who originally built them. The Glenfiddich Distillery is an exception. It is still owned and managed by the Grant family who built the distillery over a century ago. We have never increased the size of the original copper stills, despite increased demand, to ensure that we retain the original flavour of our



whisky. The craftsman and not the accountant always has the last word at Glenfiddich.

- The Invitation -

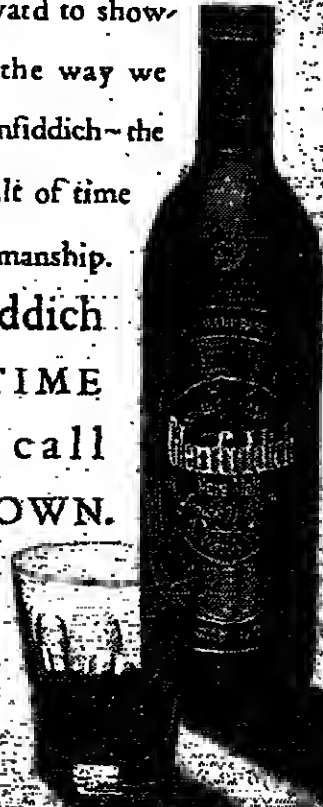
Glenfiddich is made at one place only - The Glenfiddich Distillery, in the Highlands of Scotland.

We invite you to visit us there and

look forward to showing you the way we make Glenfiddich - the

pure result of time and craftsmanship.

Glenfiddich is a TIME YOU call your OWN.



The Glenfiddich Distillery, Banffshire, Scotland. Tel: 0346-26373.

FOOD AND DRINK FOR CHRISTMAS

Still silence of the Lowlands

IT HAS been a bad year in the Scottish distilleries. The heavy liquid in the whisky loch is rising fast and the industry's response has been to silence a number of stills.

Most distilleries close for a spell during summer to allow staff to holiday and for maintenance work; but this year the closures were longer than usual and some of the distilleries did not open for production in the autumn.

As you travel from still to still you hear some pretty fancy semantics these days when a "silent" distillery actually a mothballed distillery; when is a mothballed distillery actually closed?

Worst hit have been the Lowland malts. In June, United Distillers decided to close all its Lowland distilleries with the exception of Glenkinchie. Whisky-lovers shed the odd tear for the gentle Bladnoch, Scotland's most southerly distillery; a delicate, lowland classic. But that was nothing to their reaction to the closure of Rosebank, a triple-distilled whisky which many considered the greatest in its class.

There was no question that Rosebank was a better malt than Glenkinchie; but Glenkinchie had an advantage which Rosebank could not equal: the distillery is in a pretty valley just half an hour's drive from Edinburgh; perfect for a day out for tourists. Rosebank, on the other hand, was in the ugly industrial town of Falkirk. Not many tourists would travel to Falkirk. So Rosebank got the bullet.

In June, Bladnoch and Rosebank were definitely closed. UD's deci-

sion was hardly greeted with applause from the specialist press and the company modified its tone. Now the stills are simply mothballed. Time will tell us what that expression means.

Bladnoch and Rosebank were just the last in a series of closures. Gone is Grants' Ladyburn, St. Magdalen and Kinclath, went a decade ago. Allied's Lomond and Interlochen have been mothballed. At the moment only one Lowland malt, Glenkinchie, is still silent.

Giles MacDonogh mourns the closure of a string of distilleries

Auchentoshan, is distilling. Why did the Lowland malts go to the wall? Opinions differ. For a malt whisky to survive, say the experts, it must be able to appeal to the blenders. Within UD the line is that the Lowland malts had too little personality to play a big role in blends such as Jammie Walker or Bells.

In the distilleries, however, one hears a quite different story: at Glenkinchie only 10 per cent is reserved for release as a single malt; the rest goes into UD blends. Similarly Stewart Hodgkinson at Auchentoshan told me that his whisky was in demand from blenders as it "mellowed" a blend and allowed, you to be a little more sparing with the more rarefied products of the Highlands and Islands.

Snooping round a blender's office the other day I found no shortage of Lowland malts among the palate of whiskies to be used in one of the premium blends.

When I spoke to the blender about this he was frank: he deeply regretted the passing of some of the Lowland malts, in particular Rosebank, but he had no shortage of stock for the time being.

Glenkinchie is also silent. The excuse is the need to replace the wash tun: the vessel in which the porridge-like wort is mixed from malted barley and hot water. The new wash tun will take a year to fit, say UD. Elsewhere they are sceptical. "It took us just six weeks to replace our wash tun," Why do they need a year? The implication is that Glenkinchie has also produced more than it can sell.

Still, UD is unlikely to mothball Glenkinchie, which plays its part of the highly successful "Classic Malts" portfolio. It is a light whisky. Almost no peat is used in the drying of the malt. As a result Glenkinchie is more or less devoid of the smoky, phenolic aromas of the more powerful malts. It is certainly not a bad dram: the aromas of dried fruit and nuts dominate.

With Rosebank gone, Auchentoshan is the last Scottish malt to be made by triple distillation: a method which was always common practice in the Scottish Lowlands and Ireland. Triple distillation means that the whisky comes off the still with a higher proportion of the heavy wash transformed into alcohol than in the case of a double-



Silent survivor: while many Lowland distilleries have been closed down, Glenkinchie is merely shut for maintenance

distilled malt. The process eliminates quite a number of flavour compounds, but it also removes the heaviness of the malt.

Auchentoshan's light elegance together with its delicate orange zest and cereal bouquet have

encouraged the distillery's owners, Morrison-Bowmore, to launch a new malt in the new year: Auchentoshan "Select".

This is to be a vatted malt without an "age statement" designed to appeal to the younger drinker who

is being wooed by bourbon and vodka. I have tasted the malt. It is not their standard 10-year-old, nor is it their fruitily 21-year-old; but it deserves to succeed if the Lowland style is to survive.

Appetisers
Top
taste

THE TCA is launching a series of dinners called TASTE at which top chefs who have had a big impact on British cooking will prepare a dinner and then answer questions.

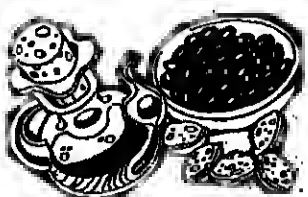
The series was due to kick off yesterday with Alastair Little, who normally cooks at his Frith Street, London, restaurant. Rick Stein from the Seafood Restaurant, in Cornwall, follows in February and Bruno Loubet in March. Chefs Shaun Hill, Paul Rankin and Paul Gayler perform later in 1994.

Tickets cost £45 each (£50 for 2) including a three-course dinner and wine, with proceeds to the development of the artistic programme. Contact Melissa Larner tel: 071-873-0061, fax 071-873-0061.

Four very different French chefs - Michel Roux, Raymond Blanc, Bruno Loubet and Michel Loran - will be taking over the kitchens of Le Meridien, Piccadilly, from Monday November 29 to Thursday December 2.

With the permission of David Chambers, the hotel's head chef, they will be cooking meals that will include their interpretation of such British dishes as baked cod in parsley sauce (Roux), bread and butter pudding (Blanc), individual toad in the hole with onion gravy (Loubet) and sticky toffee pudding (Loran).

The wines, available by the bottle, half and glass, are from the Baron de Philippe de Rothschild properties. Dinner will cost £49 per person excluding wines. Tel: 071-734-8000, ext 43.



Continued from previous page

Olive oils/Miscellaneous

Berrydales, 5 Larn Road, London NW2. Tel: 071-722-2866, fax 071-722-7885. Christmas recipes and ingredients for those on restricted diets.

Brindisa, Winchester Walk, London SE1 9AG. Tel: 071-405-0282, fax 071-405-5044, for cheeses from Spain, olive oils and spicy chorizo sausage.

Caruccio's, 28A Neal Street, London WC2H 9PS. Tel: 071-240-1487, fax 071-497-1361. The wild mushroom specialist, also Italian food and a range of hampers.

Divertimenti, 42-44 Westbourne Grove, London W2 6SE. Tel: 071-221-2112, fax 071-792-0068. Stylish equipment for the discerning chef.

Les Fines Herbes, 8 St Mary's Hill, Stamford, Lincolnshire PE9 2DP. Tel: 0780-73781. Fruit,

flower and herb vinegars and jellies.

Leathams Larder. Suppliers of smoked salmon, smoked meats, olive oils and other foodstuffs to the restaurant trade, now supplying private customers. Contact Belinda Headen. Tel: 071-571-8293, fax 071-571-8284.

The Oil Merchant, 47, Ashchurch Road, London W12 9BU, tel: 081-740-1335, fax 081-740-1319. An extensive range of French oils and Italian balsamic vinegar, Rizzoli anchovies and sardines, pastes and sauces.

Panzer delicatessen, 15 Circus Road, London NW8 6PB. Tel: 071-722-1496, fax 071-566-0209.

The Scottish Gourmet. This is the Station Road, Biggar ML12 5LZ. Tel: 0896-21001, fax 0896-20456. Annual subscription £9.95 for monthly newsletters and the best of Scottish produce.

Taylor and Lake, Park Farmhouse, Sandford St. Martin, Oxford OX5 4AH. Tel: 0608-83366, fax 0608-83650. A tip top range of oils, vinegars and pastes as well as sun dried tomatoes, capers and sauces.

Valvona and Grolla, 19 Elm Row, Edinburgh, EH7 4AA. Tel: 031-556-1668. More than

4,500 food product lines and an extensive range of Italian wines.

The Wiltshire Tricklement Company, High Street, Sherston, Malmesbury, Wiltshire SN16 0LQ. Tel: 0665-840851, fax 0665-840824. A delicious range of different mustards, condiments and jellies for all dishes.

Winecellars, 153-155, Wandsworth High Street, London SW18 4JB. Tel: 081-871-3979, fax 081-874-8880. Italian olive oils, pasta and chestnut flour as well as a top range of Italian wines.

Coffee, teas, cakes and chocolates. Ackermans Chocolates, Goldhurst Terrace, London NW6, tel: 071-624-2742. A wonderful source of all things chocolate, especially stocking fillers.

Algerian Coffee Stores Ltd, 52, Old Compton Street, tel: 071-437-2490, fax 071-437-5470. Tel: 0753-531953/531131. Fax: 0753-530946/531134.

Sara Jayne, 517 Old York Road, Wandsworth, London SW18 1TS. Tel: 081-874-8500, fax 081-874-8575, for stunning, generous truffles.

Sarah Nelson's Grasmere

Gingerbread Shop, Grasmere, Cumbria LA22 9SW. Tel: 05394-35423. A British delicacy made to a secret recipe.

The Chocolate Society, Otley, Yorkshire, LS21 2BA. Tel: 0843-981101, fax 0843-468199. The finest cooking chocolate and products for chocolatiers.

Tod Holdings, 18, Bridge Street, Kirkwall, Orkney. Tel: 0856-873165, fax 0856-873655. Traditional Scottish biscuits and oatcakes.

The Toffee Shop, 7 Brunswick Road, Penrith, Cumbria CA11 7LU. Tel: 0768-62008. The finest British fudge. Made to a secret recipe.

The Village Bakery, Melmerby, Cumbria CA10 1HE. Tel: 0768-881515, fax 0768-881843. Christmas cakes, puddings, hampers, and more surprisingly, Russian sourdough bread.

Paschau, like many of the

Bubbly competition winners

WEEKEND FT readers revealed an extraordinary fondness for puns, anagrams and acronyms in a competition I set last month to find an acceptable colloquial name for bottle-fermented sparkling wine that is not made in Champagne, writes Jancis Robinson.

Of the hundreds of suggestions, most were inspired by the forbidden appellation, as in Champagne, the choice of many but, surely, too pejorative. There was Champ, Fagnecham, Chamagne, with Champs, Sparklagna, and, perhaps most onomatopoeically appealing, Chamcham.

Paschau, like many of the

entries, depended on a fair knowledge of French, although the Scotsman who suggested it was keen to say that the name incorporated "more than a hint of passion" (she also asked us not to print her address as "We'd rather not have any unwelcome visitors after the prize").

Another opinionated suggestion came from Cambridge, but again was pejorative: "May I suggest that for something essentially bubbly and frothy a suitable name would be 'Fergle'.

This has the further advantage that it suggests it is not quite the real thing. The phrase Vin Deux Fois suggested a full grasp of production techniques, as did Bib

(for Bubbled in Bottle). Notch (short for Not Champagne) suggested by a Belgian diplomat based in Muscadet country also had its attractions.

But the six bottles of Green Point 1990 donated by Mot & Chandon go to a reader with an indecipherable signature and the post code BN7 3PF near Lewes, east Sussex, for Trad, a shortened form of the official "Méthode Traditionnelle" description to be found increasingly on labels. He or she pointed out that it could be used as in "non-vintage trad" and, in this case, jolly good "Australian trad". The name may not fit on the tongue, but its credentials sound impeccable.

The Ultimate Gift!

No present will be more appreciated by your friends and relatives than a traditional hamper from Fortnum & Mason - brimming over with festive delicacies and treats.

A gift assured to be received as the ultimate compliment.

Ideal for the family - what better way to capture the enchantment of Christmas, than opening a Fortnum's hamper and discovering the bountiful delights contained therein.

Food Hampers

Salisbury	£ 65 P&P £5
Warwick	£100 P&P £7.50
Nottingham	£150 P&P £13
Chester	£250 P&P £13
York	£500 Free Delivery

Wines

'Wine Selection' Case	£ 50 P&P £5
St Nicholas Hamper	£100 P&P £7.50

For the above items, delivery is for UK Mainland only - and FREE in the London Post Areas.

Gift Packs

Christmas Box £35 P&P £4.75 UK only
Including all the festive essentials - Christmas Pudding, Mince Pie, Cranberry Sauce, Brandy Butter, Christmas Cake, Shortbread Fingers.

Order by post, telephone or fax to our Central Order Department, Mon-Sat 9am-6pm. Include payment and full delivery instructions, with all orders.

Christmas Catalogue available £2.75

FORTNUM & MASON
181 PICCADILLY • LONDON W1A 1ER
Tel: 071-465 8666 • Fax: 071-437 3278

CLARETS AND VINTAGE PORTS

WANTED

We will pay section hammer prices. Payment immediate. Please telephone Patrick Wilkinson Tel: 071-267 1945

WILKINSON VINTNERS LIMITED
Fine Wine Merchants
41 Constance Rd London NW3 2LN

SMOKED SCOTCH SALMON

THE VERY BEST QUALITY
1 1/2 lb sliced side £18.15
2 1/2 lb sliced side £22.85
2 1/2 lb sliced pack £28.95
1 1/2 lb Pack with 1/2 bottle Glenlivet 1811 Whisky £28.95
Vino-Pac Tint Glass Post Paid
Vino-Pac/Chateau/Chateau
Londres/Chateau/Chateau
Tel: (0207) 530091 Fax: (0207) 530088



Wheat Wafer Biscuit Range

Available in most leading supermarkets, and in all good delicatessens.

Biscuits to go with cheese - the choice of the true connoisseur.

Millers Biscuits Ltd
36 Nettlefold Place
London SE27 0JW
081 706 0020

Turville Valley Wines

The Wine Trade's best kept secret!

If you want the best come to the people who supply the trade. For young and old Cuvée Claret, Grand & 1er Cru Burgundy, Top Rhone, Vintage Port - All Fine Wines - Ask us.
Our Autumn Wine list is now available.
tel: 0494 86 8818 fax: 0494 86 8832

WILKINSON VINTNERS LIMITED

Members of Fine Wine, Port, Cognac, Champagne and Sherry Council.
Christmas Hampers, Baskets & Gift Boxes are made to order according to taste and budget. Delivered Worldwide. All Credit Cards Accepted.

WILKINSON VINTNERS
54 St. James's Road, Windsor
CALL STANLEY OR SALLY
Tel: 0753 531953/531131
Fax: 0753 530946/531134

Over 400 whiskies



Mail Order Catalogue
Gift Vouchers
Phone 0499 2219



The Cigar Club are acknowledged connoisseurs of Fine Cigars and are the established leaders in Direct Purchase Marketing.

With over 40 years experience The Cigar Club are renowned for their quality of service and products.

Offering a world wide delivery service, we pass the savings of Direct Mail directly to our customers.

For a current catalogue please telephone 081 902 2656 (24 Hour Answering Service) Fax: 081 903 0926

WINE MERCHANT OF THE YEAR 1992/93
WINE MERCHANT OF THE YEAR 1993/94

Wine Rack

£2.50 OFF

GORDON'S OR BELL'S

(THAT'S A NEAT OFFER.)

SAVE £2.50

From £2.50 each (including 2 x 75cl bottles of BELL'S WHISKY 70CL SINGLE BOTTLE £10.49 GORDON'S GIN 70CL SINGLE BOTTLE £11.99)

BELL'S BELL'S
OLD SCOTCH WHISKY
ESTD 1823
HIGHLAND MALT
ESTD 1823

Gordon's Gordon's
Special Dry
London Gin
ESTD 1769

This offer is in Wine Rack, subject to availability, until 01/12/93 or while stocks last. No other discounts apply. Available to UK residents only, aged 18 and over. You'll find your nearest Wine Rack in Yellow Pages.

TRAVEL

Practical Traveller/Nicholas Woodsworth

The Sting in any language

A FEW years ago, strolling beside the Nile in Cairo, I fell into conversation with a middle-aged Egyptian. He was charming and affable, well-dressed and well-spoken. I liked him immediately.

He was, he told me, a lecturer in middle-eastern history. We stopped for coffee. We talked about Egyptian politics, history, social life. We got along famously; before the hour was up he had invited me to his niece's wedding that evening.

We also discussed my own plans to travel around Egypt. He had a contact in the department of railways, he told me, who could issue two-week, unlimited-travel rail passes at considerable savings. Normally they were available only to researchers and academics on official visits. But for me, his friend, it could be arranged.

We took a taxi to a vast ministry building. I gave him the money for the pass and waited outside. It was better that way, he said, in shorts and T-shirt I did not look terribly academic. An hour later I was still waiting, and went in to investigate.

There was no official who dealt with foreign academics. There was no such thing as a two-week rail pass. And there was no history lecturer. My "friend" - one of Cairo's accomplished confidence tricksters - had taken the money and vanished. I had no-one and nothing to blame except his wholly convincing act and my own naivety.

We live in a sophisticated age where image and marketing power are everything. It is no wonder that street crime, too, uses its own slick methods to exploit the gullibility of travellers unfamiliar with

local conditions. There are still plenty of brutal gunmen and dark alleys out there, but there are also lots of perfectly charming people who are capable of lightening your pockets with little more than a smile.

What is worse, you will, at least until it is too late, smile right back. The following are just a few of the more common methods of non-violent crime practised on city streets from Mexico to the Philippines.

Diversions and distractions. On a pavement in Zambia I once received a hearty

your bag open with a razor. Do not even check your money if someone rushes up and says you have just been pickpocketed. This is an easy way of finding out just exactly where you keep your money; five minutes later you might not have any left.

Extortion by petty bureaucrats. Policemen, soldiers and minor functionaries are often pitifully paid in the developing world and sometimes cannot resist abusing the power they have to supplement their wages. At Lagos airport, for example, customs officials often bluntnly ask departing

may be made by telephone, your credit card number alone may be sufficient for fraudulent use. In some cities, customers now ask that even the carbon sheets used to make card receipts be returned to them - anyone might make use of them once thrown in the rubbish.

Bank accounts. Be equally cautious about handing out your bank account number. Although banks are leary of wiring money without sufficient verification, crooks who are able to obtain your home account number may try setting up a local account in your name and having funds transferred to it. Some succeed.

Impersonation. In Manila, tourists are sometimes stopped by men in neat suits driving large new cars. They flash phoney police badges and explain they are checking for counterfeit bank notes. They invite the tourists to step inside, check their cash, surreptitiously remove whatever pleases them, assure their relieved victims that their money is the real thing, and then drive off.

Drugging. Strong doses of barbiturates may leave no marks, but in south-east Asia especially, this is a fast-growing method of robbery. It is easily practised, for local hospitality - a sweet given on a bus ride, the offer of a cup of tea - is hard to resist.

Alarmingly, such invitations can end with the guest waking up hours later on a piece of waste ground with a sore head and an empty wallet. It may be a pretty young woman at the post office, or a smiling man who says he was your airport bus driver. These days, sadly, one can never be sure of a smiling stranger's motives. Caution remains the traveller's best companion.

There are still plenty of gunmen out there, but there are also lots of charming crooks capable of lightening your pockets with just a smile

handshake from a man welcoming me to his country - so vigorous was it, so engaging his conversation, that it was only minutes later that I realised he had removed my watch from my wrist. In Barcelona once I was taken aback when a young woman with a remarkably prominent chest bumped into me, as it were, head on; I would have liked to think it was true love - her real purpose, though, was to take my mind off the hand slipping into my back pocket.

Such diversionary tactics are commonly practised by thieves in crowded places and often planned by groups of two or three. If a man in your path appears to slip, or if two boys begin rough-housing in front of you, beware: as you are bumped and concentrate on not falling, an accomplice may be deftly picking your pocket or slicing

businessmen for "presents" - so anxious are these travellers to catch their aircraft that they will hand over money.

Extortion at frontiers and in government offices. Though, in one case in which the victim was a choice, a police but first "no" is usually enough to make an official back down; the alternative - outright theft - and its possible consequences are rarely worth his while.

Credit cards. Never let them out of your sight. A favourite trick of dishonest Bangkok merchants, among others, is to disappear just long enough with your card to make a number of blank impressions. A few seconds are enough. As they have your signature along with your purchase, they are then free to fake the signature and fill in the blanks as they like.

In countries where credit card purchases



Tourist trap in Bangkok, especially, watch your credit cards

Travel Books/Michael Thompson-Noel

Guide to the fate of the giants

IT IS a shock, seeing elephants in the wild. What causes the sensation is the effect of their size and physicality allied to their vulnerability. You know that at any time a poacher's spray of bullets could remove this great beast from the face of the earth.

Anyone heading for the safari grounds of Africa or Asia this winter should invest £17.50 in a copy of *The Fate of the Elephant* by Douglas Chadwick (Viking). It takes you in close to the giants and makes you feel ashamed that their fate should be in doubt.

The strength of the book derives from Chadwick's travels. He starts in Siberia, at a mammoth graveyard (the earliest known human portrait was carved in mammoth ivory 26,000 years ago).

Then he visits east and central

Africa. Then Japan and Hong Kong, where he investigates the ivory trade. One Japanese *netsuke* carver tells him that it would take 13 years to make the transition from carving ivory to carving wood or some other material, and then another two or three years to learn the characteristics of each type of wood.

Then India. Then Switzerland, for a meeting of Gites, the Convention on International Trade in Endangered Species. ("Wildlife is the second-most-lucrative illegal trade

item in the world, exceeded only by drugs," he says). Then Thailand and Malaysia, and finally southern Africa.

Chadwick provides a great amount of elephant lore and information - most of it gained firsthand - and this can be depressing. For example, he says that in Tsavo national park, Kenya, he spent days looking for elephants and found mostly dead ones.

"I learned to locate them the same way scavenging lions find carcasses, by watching the sky for

vultures. Once I found the first of a group, the stench would lead me to the rest of the family. Four bodies here, six there, another two across the gully, whitewashed with vulture droppings, putrefying under the sun until the flesh bled out..."

Chadwick says that the Ivory trade is the greatest threat to the elephant. Its greatest peril is the explosive growth of the human population. Both *Loxodonta africana* and *Elephas maximus* are running out of living space among 5n-

plus humans, so where will they and their huge needs fit in as human numbers approach the 10bn to 12bn projected within 50 years?

The Fate of the Elephant is not all gloom. Chadwick explains how his travels made him grow to like wild elephants tremendously. He found them overwhelmingly sociable, expressive and emotional. Their size is pulverising yet they react to the smallest things - pausing to let a mongoose scurry by or cautiously circling a paper wrapper left by a tourist.

All the while, says Chadwick, he had a very strong sense of a mind behind each elephant's actions; a sense of information being processed in interesting and highly individual ways.

The fate of the elephant will be a close-run thing. "I want to believe," says Chadwick, "that we will ultimately save elephants, and that we will do it because we acknowledge and accept their commonality with us."

With luck, says the author, man's moral progression will enable him

to extend his sense of kin to other species. Chadwick wouldn't be surprised if elephants help show the way.

Train Journeys of the World (Automobile Association, £19.99) covers what it calls 30 of the world's most spectacular and famous rail routes. Photography and maps are excellent, and the commentaries strike a good balance between information and travelogue.

Journeys include the Marrakech Express to Casablanca and Fes; Japan's Bullet Train; the central railway of Peru; the Rhine valley (Cologne-Frankfurt-Austria (Bozen-Vienna); the Glacier express through Switzerland; Spain's Andalusian express; southern India (Madras-Ootacamund); Bangkok-Singapore, and Cairo-Aswan.

HOLIDAYS & TRAVEL

SPECIAL INTEREST

THE RUSSIAN FAR EAST

A VOYAGE TO THE LANDS OF ICE AND FIRE ABOARD THE MS CALEDONIAN STAR
14 July-2 August 1994

Opportunities for the genuine traveller have widened dramatically in the last couple of years. Nowhere is this more true than in the remote and previously 'closed' areas of the Russian Far East.

The Kamchatka Peninsula and the stepping stone islands of the Kurils which form a chain from Kamchatka to Japan have been off-limits to westerners for decades. Our appetites were whetted by the recent showing of the excellent BBC wildlife series, 'Realms of the Russian Bear' which visited Kamchatka, so aptly described as a land of ice and fire.

The whole area is of great interest to birdwatchers, naturalists and travellers who like to experience new areas which are unexplored to tourists. The Kuril Islands are particularly noted for their warm hospitality and there will be opportunities to meet the locals and learn about their demanding lifestyles.



THE ITINERARY

DAY 1 London-Moscow Fly London to Moscow and stay overnight.

DAY 2 Moscow Morning city tour including a visit to the Kremlin. Afternoon at leisure. Evening special charter flight to Vladivostok.

DAY 3 Vladivostok Prior to joining the MS Caledonian Star there will be a tour of the city. Sail in the evening.

DAY 4 At sea Talk by our guest speaker.

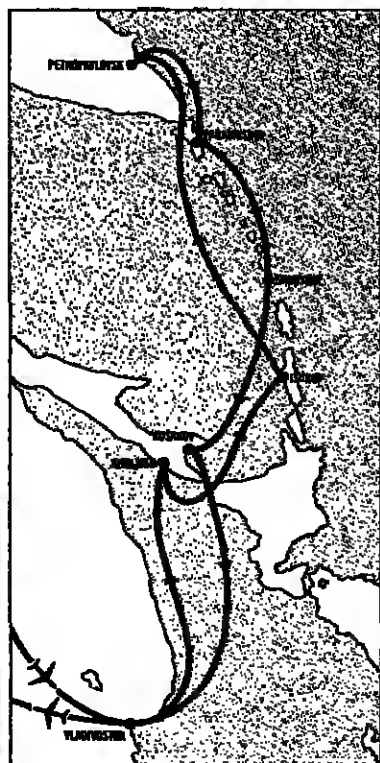
DAY 5 Kamohok Afternoon visit to Kamohok, our first call on Sakhalin Island. Situated on the West Coast this booming city owes its growth to the links with the Great Siberian Railway and its enthusiastic adoption of Western-style. See Vladivostok and the regional ethnographic Museum.

DAY 6 At sea

DAY 7 Iturup Go ashore by Zodiac to a grove in the Mame and a quagmire convert. Explore the small town of Iturup including the salmon hatchery and surprisingly enough an art school. Island drive across the dramatic scenery to the White Hills.

DAY 8 At sea Cruising in the Kurils.

DAY 9 Simushir (Kuril Islands) As we sail down the Pacific Ring of Fire, the islands increasingly become more



THE MS CALEDONIAN STAR

The MS Caledonian Star has attracted a strong following in the UK amongst genuine travellers who wish to learn and relax in some style.

You will find a peaceful and warm atmosphere on a first class expedition ship. On board facilities include accommodation for 110 passengers in 'outside' air-conditioned cabins with shower and wc. The cabins are located on three passenger decks with the upper deck having large windows.

Cabins are furnished in Scandinavian style. Facilities include a large lounge and bar, excellent lecture room and library, a single-sitting restaurant with delicious meals prepared by our European chef, swimming pool, sun and observation deck, audio, beauty parlour and clinic. An 'open' bridge policy makes this a focal point on the ship. Predominantly Scandinavian officers and management ensure a smoothly run vessel and the caring Filipino crew is second to none.



PRICES PER PERSON

Prices range from £2095 for a Category 2 berth cabin to £4660 for a 2 room suite. Singles from £1460. Price includes Economy air travel London/Moscow return, special flight Moscow/Vladivostok return, 2 nights accommodation in Moscow on half board, 10 nights on the MS Caledonian Star on full board, shore excursions, entrance fees, transfers, portage, port taxes, local guides services of Guest Speakers and Expedition Teams. Not included: Travel insurance from STA, any optional excursions such as helicopter flights, Russian visa £20, airport tax and tips to ship's crew.

HOW TO BOOK

For further information, please return this coupon to telephone 071-911 4752.

Name _____ Address _____

Post Code _____ Telephone _____

NOVEMBER 1993

1 HOUR BROCHURE AVAILABLE FROM 071-225 1041

071-225 1041

COSTA

Around the world in 108 days. Or one of seven sectors. From \$2060.

Join the *Costa Concordia* between December 23 and March 24, for the voyage of a lifetime. *Costa Concordia* is the world's largest cruise ship, sailing from the Mediterranean to the coast of South America.

Voyage from Mexico through the Panama Canal to Tahiti, from Tahiti to the South Pacific, and finally to the South Atlantic, and back to Mexico. Experience the wonders of Australia en route to the paradise islands of the Indian Ocean. Or join the ship homeward bound through the mysterious Middle East to the land of the Pharaohs and through the Suez Canal.

The choice is yours. A world cruise or one of seven fascinating sectors around the world, all with the same superb service, the same delicious food and all the appeal of a prestigious private yacht. Don't just dream. Send for our brochure today.

Prices shown are for a double cabin with bath, shower and toilet on the 17-night sector.

For our 24-hour brochure service call 071-724 9911 (Monday-Sunday 9.00am-5.00pm, and Sat 9.00am-1.00pm). Or see your ABTA travel agent.

Oriental Cruises '94

A Winter sail cruise is perfect for the sophisticated traveller looking for a more intimate and luxurious experience.

Only 74 couples will be able to cruise in such exotic places as Singapore, Penang, Phuket, Langkai and Malacca for only £2,599 pp. Price includes return flight, 7 nights Starboard accommodation, meals and entertainment. Visa departures still available.

For more information on this or any other of our cruises write to ESCO Cruises, 45 Colston Street, Bristol BS1 5AX. Or call 0272 272273.

ESCO CRUISES

Exclusive Smallships to Exotic Places

TWICKERS WORLD

The natural world

ANTARCTICA

the last great frontier

Expeditions of differing lengths board specially equipped passenger vessels and research ships, throughout the Antarctic continent.

Special departure - Jan 2nd 1994

£6875 for 25 days

22 Church Street, Twickenham, TW1 1NW

081-892 7606

24 hour brochure service 081-892 7891

ANTA No 063-04 ATOL No 1796

CARIBBEAN

Unwind after Xmas

at 1st Class Hotels.

1 week \$599

Haleyon Cove - Antigua

Grenadian - Grenada

Turkey Beach - Tobago

2nd week room FREE (pay half board full stay)

Child cost £149-£199

Depart January

See your travel agent or CALL 081-748 5060

HAYES and JAMES

EARLY BIRD BUDGET LONDON BREAKS

4 nights for the price of 3. Kids free.

Tel: 071 243 0987

Fax: 071 792 1957

TANZANIA

One week

Private Tented Safari in the Serengeti PLUS

One week chartering off Zanzibar aboard a luxury 72ft Ketch.

Max 8 people from \$3800 pp.

CAZENOVE & LOYD SAFARIS

UNIT 1, 39 YARDALEY RD, LONDON SW10 0PY

071-376-3746

AUSTRALIA

The Great Barrier Reef is the eighth wonder of the world. Its islands are its seventh heaven. Unspoiled anywhere, these luxurious hideaways offer the discerning traveller good sporting facilities, lush, tropical vegetation, superb cuisine and above all - peace.

Exclusive 3 night packages to HAYMAN ISLAND, LEARD ISLAND and REDBANK ISLAND are available from \$297 per person. Inland flights from Sydney, accommodation, breakfast and transfers.

For more details on these and other islands and destinations in Australia, New Zealand and the South Pacific, call our Specialists for a Colour Brochure.

Travel Portfolio Ltd

0284 762255

73 Churchgate Street, Bury St Edmunds IP33 1RL, Office in Sydney

2 frequent flyer

BA, AA, OZ, UA, DL, AF, LH, EK, AZ, AL, 3Y, 4Y, 5Y, 6Y, 7Y, 8Y, 9Y, 10Y, 11Y, 12Y, 13Y, 14Y, 15Y, 16Y, 17Y, 18Y, 19Y, 20Y, 21Y, 22Y, 23Y, 24Y, 25Y, 26Y, 27Y, 28Y, 29Y, 30Y, 31Y, 32Y, 33Y, 34Y, 35Y, 36Y, 37Y, 38Y, 39Y, 40Y, 41Y, 42Y, 43Y, 44Y, 45Y, 46Y, 47Y, 48Y, 49Y, 50Y, 51Y, 52Y, 53Y, 54Y, 55Y, 56Y, 57Y, 58Y, 59Y, 60Y, 61Y, 62Y, 63Y, 64Y, 65Y, 66Y, 67Y, 68Y, 69Y, 70Y, 71Y, 72Y, 73Y, 74Y, 75Y, 76Y, 77Y, 78Y, 79Y, 80Y, 81Y, 82Y, 83Y, 84Y, 85Y, 86Y, 87Y, 88Y, 89Y, 90Y, 91Y, 92Y, 93Y, 94Y, 95Y, 96Y, 97Y, 98Y, 99Y, 100Y

TRAVEL

First Choice for First Class & Business Passes

With over 30 years of experience, we are able to offer a fast, professional and fully comprehensive service. An international ticket delivery service is offered throughout the London area.

To: BANGKOK/DELHI 2750 £1150
DELHI 1200 £1150
HONG KONG 11750 £1850
LOS ANGELES 14500 £1950
MADRID 11025 £1850
NEW YORK 11120 £2250
PARIS 2740 £1040
TOKYO 11585 £2275

071-437 5252

071-437 5555

44 CONDUIT STREET, LONDON W1L

SPREAD YOUR WINGS!!

BOSTON \$1775
LOS ANGELES \$2245
MIAMI \$1950
NEW YORK J.F.L. \$1175
NEW YORK NEWARK \$1175
ORLANDO \$1190

GO FOR IT!

071 637 7855

DISCOUNT FARES

In 1st Class, Club & Economy Class.

Also Concords.

For the best guaranteed deals please contact the experts

Tel: 071-636 6466

Fax: 071-637 3454

Pen Express Travel

Over 357 FRANCE

All standards. Special facilities for beginners.

Tuition included

B.A. school flights

- 3 star hotels

Tel: 0245 346022 ATOL 2291

SKI WEEKEND

The specialists in organising flexible short breaks for individual groups or corporate. Tel: 0267 22211 ATOL 2276

071 225 1041

BOOKS

My Book of The Year

Our reviewers choose the books they have enjoyed most published during 1993

MY CHOICE IS V.I. Laski's novel *A Suitable Boy* (Orion £20.00) - all 1349 pages of it. Its people have remained with me vividly both as individuals and as part of that post-Independence Indian society of which the novel gives an amazingly complete picture. The story never loses sight of its beautiful young heroine Lata whose choice of a partner for life is its core, but it also deals brilliantly with many fascinating choices, personal, political, spiritual, made by the other members of its large cast of characters. The book is vastly long but never over-facinating or boring. Here is a contemporary novel in which you can immerse yourself happily for weeks on end.

Anthony Curtis

FEW biographies wear well. One that just might is my book for 1993 - Harold J Laski: *A Life on the Left* by Isaac Kramnick and Barry Sheerman (Hamish Hamilton, £25.00). It is an exceptionally competent, comprehensive, readable work. A truly worthy centennial tribute. Laski has been dead 43 years, and is almost forgotten in the west. Not so in India. The Gandhi-Laski encounter in London 1931 described here gives a fresh insight into their characters. The authors write that "There was a vacant chair at every cabinet meeting in India, reserved for the ghost of Prof Harold Laski". That ghost still turns up in Delhi when least expected.

K. Natwar-Singh

MINE MUST be Margaret Thatcher's *The Downing Street Years* (Harper Collins, £25.00). I found it compulsive reading, evangelistic yes, biased, not nearly as much as I had expected. She is generous about most of her colleagues, bears very little malice, if much pain. She is superb on the Falklands, splendid on Scargill and dreadfully right about Europe. Too starry perhaps about Gorbachev; and I shudder a little at her adulation of "Ron". Small hemlines on a magnificent career that bought a sinking Britain safe to shore. The book has longueurs and is not well constructed, but is head and shoulders above the waffling Macmillan or the verbose Wilson. What a fighting spirit, what a sad loss! Read it.

J.H. Plumb

MY BOOK this year is Dr Johnson & Mr Savage by Richard Holmes (Hodder & Stoughton £19.99). It has always been a puzzle why Johnson, in later life a domineering pillar of propriety, wrote in 1774 a curiously haunting life of Richard Savage, obscure poet, drunken debtor, reprieved murderer, self-deluded claimant of aristocratic parentage and regular biter of the hand that fed him. Holmes most perceptibly analyses their short relationship in 1737-39. Savage alternated between grand salons and lowest Grub Street; the young Johnson fresh from the provinces fascinated by Savage's worldly charm, paced the night streets of London with him in endless talk. This, as Holmes says is the "story of a friendship" and the "biography of a biography" - in fact of the first English biography. It is based on profound research and is wonderfully readable.

Robert Blake

LIKE EVERY English-speaking Victorian I have been waiting a long time for Mary Jane Phillips-Matz to finish her biography of the composer. It has been in the works for decades, while the author - a tireless, indeed relentless investigator - has dazed, sometimes infuriated fellow-scholars with her discoveries, making all of us re-examine not only beloved legends (like Verdi's self-invented rags-to-riches story) but also traditional attitudes. Spending months every year in Verdi's native area, the author knows



Photograph of one Fra Angelico's frescoes in San Marco, Florence taken from William Hood's book published by Yale University Press (£45)

every building, in Busseto, every field Verdi owned. No parish archive, no village registry has escaped her scrutiny. At last her Verdi is here (Oxford, £30.00). A long story, it is as irresistible as the *For* in full flood. Like all biographies, it contains conjecture, some of it bold, but most of it convincing; in any case, the detective-author fairly presents all her clues; the reader can judge for himself.

William Weaver

WHAT A delight to discover Ursula Molinaro's *Fat Skeletons* (Serif, £7.99), a witty, pungent, short novel that targets both the feminist and literary worlds. Having never read anything of Molinaro previously, I see from the blurb that she is "a grand and eccentric old dame of letters" with a long list of translations and novels to her name. This may account for the certainty of touch and economy of words that make this story of a top woman translator working in New York city such an effective novel. I can only say that sparkling and amusing books in this genre are difficult to find. This one made me laugh uproariously. It is the perfect Christmas stocking-filler.

Zara Steiner

I FOUND great enjoyment in Madame Blavatsky's *Baboon* by Peter Washington (Secker, £20). It casts a splendidly cold eye on the bizarre collection of gurus who con-fected Theosophy, not least on Helena Petrovna Blavatsky (she of the peacock eyes and the burning glasses), and on such cranks as Charles Leadbeater (ex Anglican curate and reluctant avenger to shake hands with a woman). The cast is gruesomely comic; the narrative - and its conclusions - fascinating. And, as a tale of financial adventure, but a true one, let me recommend Charles Gordon's *The Cedar Story* (Sinclair Stevenson, £18.99) whose subtitle - *The Night the City was Saved* - rightly conveys the energy of Gordon's buccannery narrative.

Clement Crisp

MY BEST book is Francis Haskell's *History and its Images: Art and the Interpretation of the Past* (Yale University Press, £29.95). We take it

for granted that art illumines the past. Yet Haskell shows it was not until the 18th century that historians became confident about using visual evidence. He explores scholars' views over three centuries of argument as to what art can reveal about the past. If an emperor's portrait makes him look evil, was he? Does art reveal a nation's moral health? Can art prophecy - did David's "Oath of the Horatii" foretell the French Revolution? Haskell marshals hundreds of clever men and betty judgments, forgotten names and towering figures such as Gibbon, Michelet, Burckhardt, Ruskin. This is a long book written with vigour, wit, and clarity. Should you get side-tracked, on no account miss the final chapter on Johann Huizinga, author of the *Waning of the Middle Ages*.

Patricia Morison

HISTORY SEEN through personal experience may gain in vividness and passion what it loses in balance and breadth. Richard Lamb's *War in Italy 1943-45: A Brutal Story* (John Murray, £19.99), my choice, is an account of his two years fighting with the Royal Italian Army, while Italy starved and struggled between opposing armies and ideologies and armed factions of its own, disease and chaos increased and liberators often seemed like enemies. In telling his tale very much from the Italian point of view, Lamb is often idiosyncratic in judgment, but he deals with aspects of the total upheaval that may have been missed by more orthodox historians, and his love of Italy and Italians shines through the horrors he recalls with pas-

sonate, sometimes angry, regret.

Isabel Quigly

I WAS thrilled to come across Christians Morgenstern's *Songs from the Gallows* (Yale University Press £18.95) in a brilliant new translation by Walter Arndt. Morgenstern was a German nonsense poet whose upside down world and playful magic language resembled Lewis Carroll's. He began writing his fantastical galleys in the 1930s, after a happy outing passed Gallows Hill, near Potsdam. His characters include a watch that winds up and down by drinking glasses of Mocha and Scotch, a driven-shrilling machine and a menagerie of weird and melancholy chattering beasts. His metaphysical jokes and haunting images work well in English: the German original also appears alongside each translation. The volume is beautifully produced, and should win this great lyric/comic poet a wide new audience.

Jackie Wullschlager

AUDEN SAID that for writing well, time would pass even Paul Claudel. There is no denying a degree of political incorrectness in Alan Clark's *Diaries* (Weidenfeld & Nicolson, £20.00) but it would be a very blinkered spirit who could not enjoy them until time has drained all Clark's offensiveness away. Pleasure springs not just from every page but from virtually every sentence. There is of course, a lot of politics, including some wonderful stories. But this is not a book to be valued primarily for what is going on in Westminster and

Whitehall. It is what was going on in Clark that counts. Like all good autobiographers, he relishes his faults no less than his virtues. His clear, unself-justifying eye, his exposed heart and his exact prose provide a rivetting experience: comic, provocative and elegiac by turns.

Kit McMahon

LENIN'S TOMB by David Rennick (Random House, £25.00) came my way in the course of work, and I certainly did not expect it would fit that splendidly composite cliché, unputdownable. Rennick redeems a whole generation of reporters who provided phoney descriptions of the late, unlamented Soviet world. It was his - and our - good luck that he was in Moscow during the years when Gorbachev brought the whole edifice down. Evidently energetic and curious by nature, he gives you a sense of what it was like to experience this weird historic event. This is a real-life thriller written by someone unafraid to pass moral judgments - and all in graceful prose too.

David Pryce-Jones

I CHOOSE Christopher Hope's *The Love Songs of Nathan J. Swirsky* (Macmillan, £18.99), a small, wry, often wonderfully funny addition to the literature of childhood. In a way, this is *To Kill a Mockingbird* turned upside down: for these vignettes of suburban white Johannesburg in the 1950s add up to a pessimistic vision of the South African apartheid society taking shape at the time. Hope's writing shows here a new economy, a glancing lightness, which

makes his hitting of comic targets all the more precise.

Max Loppert

AT LAST there is a UK edition of Raymond Carver's selected short stories. Where I'm Calling From (Harvill, £9.99) compiled by the American writer just before he died at 50 in 1988. Carver was the son of a saw-mill worker and a waitress; he worked as a porter, petrol pump attendant, deliveryman and dictionary salesman. Publishers ignored him until 1976. Each story is a sideways glance at life from a passing train; and Carver's melancholic wit and sad actualities are the best you will find outside Chekhov. These 37 pieces cover domestic, family and professional life, each wonderfully different but reassuringly similar. After reading them, as Carver says, "maybe our hearts or our intellects will have moved off the peg just a little from where they were before." But you have to be in rude psychic health: Carver offers no cheer to the unhappy.

Andrew St George

VED MEHTA's delightful *Up at Oxford* (John Murray, £17.99), reminded me of my own days there in the late 1950s. The Indian English literature student, with his unending supply of girls eager to read him poetry and novels, was already something of a legend. His book is generous, even reverential, treating the absurdities he encountered as lovable examples of English eccentricity. "What games do you intend to play?" asks the Master on their first meeting. "Cricket, rugby, tennis?" The frontispiece shows him playing

croquet. Ved is blind.

William St Clair

A MAYOR who attacks picnickers in the Botanical Garden with a Stinger missile. Outraged citizens who tie him to four different cars and drive off in opposite directions. A schoolmaster who keeps the remains in his freezer until he can bury them piece by piece... The book I enjoyed most this year was *Elect Mr Robinson for a Better World* (Heinemann, £9.99), a splendidly funny first novel by Donald Antrim. It's an absurdist satire on small-town America, in the finest traditions of Heller and Roth. It passed with barely a ripple when first published in England. But everyone who bothered to review it enjoyed it enormously. They could hardly have done otherwise.

Nicholas Best

ANYONE WITH a taste for spicy food and wild tales of the Mexican Revolution will enjoy *Like Water for Hot Chocolate* by Laura Esquivel (Doubleday £13.99/£5.99). The recipes are authentic ones from the turn of the century and full of mouth-watering detail, but do not expect to find the ingredients in your local supermarket. The linking love story is as exotic as the food, a kind of soap opera gone mad which leaves a strange, sad after-taste.

Alannah Hopkin

MANY GREAT religious paintings have been produced by profoundly unholy artists but for Fra Angelico, art was an expression of faith. That has not stopped most art historians from ducking the problem of what it means to be both friar and painter. William Hood in his exceptionally beautifully illustrated *Fra Angelico at San Marco* (Yale University Press, £45.00) looks at the different kinds of decoration of the various zones of the monastery of San Marco in Florence as aids to devotion. He convinced me at least of beginning to see these works as a Dominican monk at the monastery might have seen them in the 15th century. It is rather like having subtitles that allow you to understand what is going on in the opera rather than simply enjoy a divine noise. The supply - at times poetic - monograph is a model of its kind.

Susan Moore

I HAVE been driving around the country a great deal this year and have been converted to the Audiobook, which is, apparently, a fast-rising medium. Nothing speeds a journey so happily. Consider, for example, the recently released set of Derek Jacobi's magnificent reading of *The Iliad* in Robert Fagles' wonderful new translation (Penguin Audiobooks, £19.99). To listen to these six cassettes (playing time about 9 hours - call it 600 to 700 Motorway miles) is revelatory: Homer brought to life. In less elevated mode, John Le Carré reads his own new novel, *The Night Manager* (Random House Audiobooks, four tapes, £11.99). Le Carré is a famous mimic and there is much fascination in hearing the accents and inflections he gives his cast of warring Whitehall bureaucrats and City villains. It is almost better than the book, except that, as with so many of these tapes, it is "abridged". I

would argue that abridgement is a Bad Thing, and recommend you ideally to try "Cover-to-Cover", a splendid firm that refuses to tolerate such commercial barbarity as cutting down the author's text.

J.D.F. Jones

I WAS struck by Anne Wallace's unusual choice of subject-matter and independent-minded approach in *Walking, Literature and Uses of the Peripatetic in the Nineteenth Century* (Oxford University Press, £30.00). Much of the book is concerned with the change in attitudes to walking that took place between the 1790s and the 1820s, as a result of a transport revolution that made it possible to see wandering round on foot as a matter of deliberate choice - rather than an activity confined to the poor, the raffish and the criminal. Wallace discusses not only writers such as Wordsworth, who explicitly link poetry to pedestrianism, but also some less obvious exponents of "the peripatetic", such as Jane Austen. The topic seems especially interesting now that walking is, perhaps, on the verge of being reclassified as eccentric or aberrant - as has long been the case in American suburbs.

Chloe Chard

I VOTE for the richly detailed bleakness of Penelope Lively's *Cleopatra's Sister* (Viking, £14.99), a journey through the problems of fate and choice for a couple who meet and fall in love when the passengers on an aircraft are kidnapped. This happens somewhere west of Egypt (where she set *Moon Tiger* - this new book develops from it) in California, a by-passed country where Berenice, sister of Cleopatra, once reigned. How different history could have been if Antony had turned to visit her instead. Lively tells a sharp story, making life's improbabilities painfully vivid. I liked her understanding of the compulsion of the fossils that drives the paleontologist hero; her sense of the nightmares of travel in much of the world (not that they deter travellers); and the fragile truth of her indecisive ending.

Gerald Cadogan

I thought that Alan Clark's *Diaries* were snobbish, self-indulgent and not written from the inside. On another hand, so many other people seem to have enjoyed them that they are clearly a candidate for book of the year. They are also more readable than the other political memoirs published as the year went on. Clark can write.

I admired John Campbell's biography of Sir Edward Heath and Philip Ziegler's of Lord Wilson, but would recommend neither for holiday reading except to the most earnest. The first 100 pages or so of Sir Peregrine Worsthorne's *Tricks of Memory* are wonderful - skip the rest.

It was also good to see a biography of William Archer, the man who brought Ibsen to the English stage. New translations of Ibsen are less stilted than anything that Archer produced, but at least Archer saw the talent. The biography is by Peter Whitebrook and published by Methuen.

Malcolm Rutherford

The FT Children's Book of the Month/Michael Glover

Tempt the young to turn to the bible

"MY MOTHER forced me, by steady daily toil, to learn long chapters of the Bible by heart; as well as to read its every syllable through aloud, hard names and all, from Genesis to the Apocalypse, about once a year; and to that discipline - patient, accurate, and resolute - I owe, not only a knowledge of the book, which I find occasionally serviceable, but much of my general power of taking pains, and the best part of my taste in literature." Thus wrote John Ruskin in 1886 of his strenuous childhood in the 1830s.

BG

AUTHORS Does your book deserve to be published? If so, please write to: The Managing Director, The Book Guild Ltd, Editorial Office (FT/1) Temple House, 25 High Street, Levens, East Sussex, BN7 2LU

A century after Ruskin's death, when many people have little faith or none, it is difficult to know how to introduce this rich and complicated inheritance to children. Should it be through one of the traditional translations or through the collections of easier Bible stories? What is the Bible to our generation - and what should it be to the next? Should the Bible be considered mainly as a literary and cultural inheritance - as a means to understanding the west's painting, poetry, literature and music? Or should Bible study be considered as a way of teaching morality - using the teachings of Christ to show young people how to behave? The Bible must continue to serve as a living guide to right conduct, runs this argument. The easiest Bible to be published this autumn, Nelson Word's *Youth Bible* (£9.99), with such words as "justice... fear... love... depre-

sion... faith... sex" blazoned across its jazzy cover, promises to reveal to "a new generation that the Bible is the best guidebook by which to live your life." Although this approach is often linked with Evangelical Christianity, even humanists would regard Christ as a great moral example. Of this autumn's selection of Bibles and part Bibles, the *Youth Bible* (conceived for young adults) is the least attractive: "accessible", "relevant", moralistic, evangelically brow-beating. It is so buttressed about by useful signposts, "frameworks for understanding", "goals" to tempt the uninterested teenagers onto the path to truth, that the complications and inconsistencies of the book is entirely lost sight of. Martin Waddell's *Stories from the Bible* (Frances Lincoln, £9.95), which consists of re-tellings of a number of the best known stories from the Old Testament for children of five and above is beautifully

simple and clear, but the language is often too bright and feisty for the subject matter. In the beginning, we are told: "God said: 'Let there be light' and there was. It was great." And: "The next day God made Heaven and Earth, doing the big hits first." Thus, in one swift stroke, children are caused to lose all sense of gravity and duty. Waddell's account stops inexplicably at Jonah. The best of the crop is undoubtedly *The Kingfisher Children's Bible* (by Ann Filling, £12.99) which both selectively encompasses the Bible from beginning to end, and mingles a modern re-telling in a language that manages to retain some sense of the majestic cadences of the King James Bible, with quotations from that translation and others. And, in spite of the fact that it is a book of biblical "highlights", each small, individual chapter is prefaced by a specific reference back to the Bible

itself, book and chapter, so that children thirsty for more can easily consult the original source. It therefore achieves what a good modern bible for children needs to achieve if it is to serve the present generation: a harmonising of

past with present so that children understand that language, stories and moral truths are hard won and long savoured. A language that leans too heavily upon this month's idioms will surely be dead by Christmas.

For details of advertising in the next

Essential Hotels Guide

on 27th November 1993

please telephone Tricia Strong on

071 407 5632

ANTIQUARIAN BOOKSELLERS ASSOCIATION
CHELSEA CHRISTMAS BOOKFAIR
Chelsea Old Town Hall,
Kings Road, London SW3
Fri Nov 26th 2.30pm-9.30pm
Sat Nov 27th 10.00am-5.00pm
FREE TICKETS Tel 071 352-5689/1720
or 081 763-1921 (24 hrs) or £2 at the door

All items are guaranteed under the rules of the Antiquarian Booksellers Association (International)

RECORDS

Profit from choice

THIS has certainly been a year when the record industry has made the news, though not always for the recordings it was producing. It seems record company managers spend most of their time in court or even - for a few memorable sessions - in the House of Commons Committee rooms.

The most most memorable image of 1993 was Gerald Kaufmann and the Industry Chairman at loggerheads across the table, each doing his best to shout down the other on the question of CD prices. Meanwhile, a European court delivered judgment in a test case regarding bootleg recordings of Elton John; and in London George Michael is still in court trying to extricate himself from his contract with his record company, Sony.

On the question of pricing, the industry argument has always been that the profit on successful CDs funds risk-taking elsewhere. I do not know whether that is the logic behind the flood of new classical recordings that are pouring out to pour on the market place, but it is difficult to keep up with the quantity and range of CDs being offered to consumers.

Gerald Kaufmann and David Mellor are on opposite sides of the CD pricing debate, but it became clear in the reporting of the House of Commons enquiry that both have a particularity to the recordings of the middle-sized British company, Hyperion. I share that enthusiasm and particularly admire the company's growing number of imaginative song records. The CD of Margaret Price singing with grand and mature beauty in Schubert (CDA 6693) may not be to all tastes, but it is very special and definitely to mine.

Probably the most noteworthy event in artistic terms has been the launch of Decca's series entitled "Entartete Musik". This is devoted to music destroyed or banned by dictatorial political regimes and its first two issues were of operas from Nazi Germany - Krenek's *Jonny spielt auf* and Korngold's *Der Wunder der Heileine*. Both are admirably well performed and recorded. The Krenek (436 631-2) is the more original opera, a strange blend of art at its most popular and its most dense; the Korngold (436 636-2), an old-fashioned romantic spectacular, is the safer bet.

For an example of the technical art of recording at its most advanced the best choice is Debussy's *Le Martyre de Saint Sébastien* (Sony SK 45240), a mystical orchestral pageant

with speech and song. The sound quality transports the listener away to an otherworldly ambience, in which Debussy's music sounds even more ravishing than usual. Michael Tilson Thomas conducts the London Symphony Orchestra and exemplary vocal soloists.

Another London orchestra - the Royal Philharmonic under Vladimir Ashkenazy - gave an excellent account of itself in a CD of Walton's two symphonies (Decca 433 703-2). The performance of the First might have kept the symphony more

Richard Fairman finds it difficult to keep up with the quantity and range of classical music on offer

single-mindedly on the path to the Hollywood-like final curtain, but the Second is beautifully done, lyrical, sensuous, glowing with Mediterranean colours, another splendid recording.

In the year of the Maastricht showdown I cannot resist the temptation of selecting Elgar's often memorable early cantata *Caractacus*. The new recording by the LSO under Richard Hickox (Chandos CHAN 91567) has many strengths and the work's unashamedly patriotic text has taken on a delightful topicality. The final chorus could be the Euroceptics' ral-



Sophie von Otter: her Grieg song recital is an absolute winner

lying-ry: "On though the world desert you, on so your cause be right, Britons alert and fear not".

To move further afield, the opening-up of contacts in Russia continues to bring the country's cultural riches to a wider audience. An agreement between Philips and the Kirov Opera of St. Petersburg is well into its stride and has scored its most notable success so far with a highly recommendable version of Tchaikovsky's *The Queen of Spades* (438 141-2). The cast features leading lights from the new generation of Russian singers, who have been causing such a stir in opera-houses worldwide.

Unfortunately, we said farewell this year to one of the most eminent of post-war singers, Boris Christoff, who died in June. His art was far from exhaustively documented on record, but the recordings that we do have capture his larger-than-life personality as vividly as could be. EMI's reissue of the 1955 set of Verdi's *Don Carlos* (GMS 7 64642-2) in which he sings an unforgettable King Philip proved well-timed.

Finally, an absolute winner. It almost seems a cliché to include a CD which has already won the *Gramophone* "Record of the Year" award, but Anne Sofie von Otter's recital of Grieg songs (DG 437 521-2) cannot be neglected. This is marvellously spontaneous singing, which raises the stature of Grieg's songs to an altogether higher level: a splendid tribute to the composer in his 150th anniversary year.

Tuned in to jazz

WHAT pocket-size selection of discs from 1993 would I recommend to represent favourite moods evoked during the 12 months? Assume it is an overcoat which can accommodate a dozen and start with Jan Garbarek's *Twelve Moons* (ECM 519 800-2). This is the best of the Norwegian saxophonist's bands, the regular electro-bass and twinkling synth augmented by Marilyn Mazur's aptly percussive and the idyllic serene blasts of traditional singing. The music is alternately earnest and thrilling, always magnificent, but requiring the listener to keep the collar turned up for warmth. There ought to be a Norwegian proverb to describe Garbarek's music along the lines of "cold notes, warm heart".

As a means of thawing out, choose Don Pullen's *African-Brasillian Connection and Ode To Life* (Blue Note 0777 7 892332). In this tribute to longtime partner George Adams, the pianist's attacking runs are made into the cushioning sounds and syncope of Senegal and Sao Paulo. Intelligent and at the same time devil-may-care in his percussive construction, the Pullen mixture of piquancy and poignancy is richly concentrated here.

Randy Weston leads a big band which includes new boy Wallace Roney and Talib Kibwe opposite old hand Benny Golson and Teddy Edwards in *Volcano Blues* (Verve 519 268-2). A similarly spicy concoction. One of the first exponents of so-called world music, the gangling pianist's precipitous style is harnessed by arranger Melba Liston for some openly crackling, blue washed charts of big hearted pleasure.

But if the loose-boned relaxation of Pullen and Weston proves too much of a good thing then guitarist Joe Pass has produced a typically tart mainstream delight in *My Song* (Vclarc 83326), which sees him swinging precisely through standards in a quintet reinvented after so many years' absence. More often heard solo (but sounding like a duo) these days, the addition of rhythm guitar and piano to Pass's clean and melodic lines gives new dimensions to the swinging virtuoso.

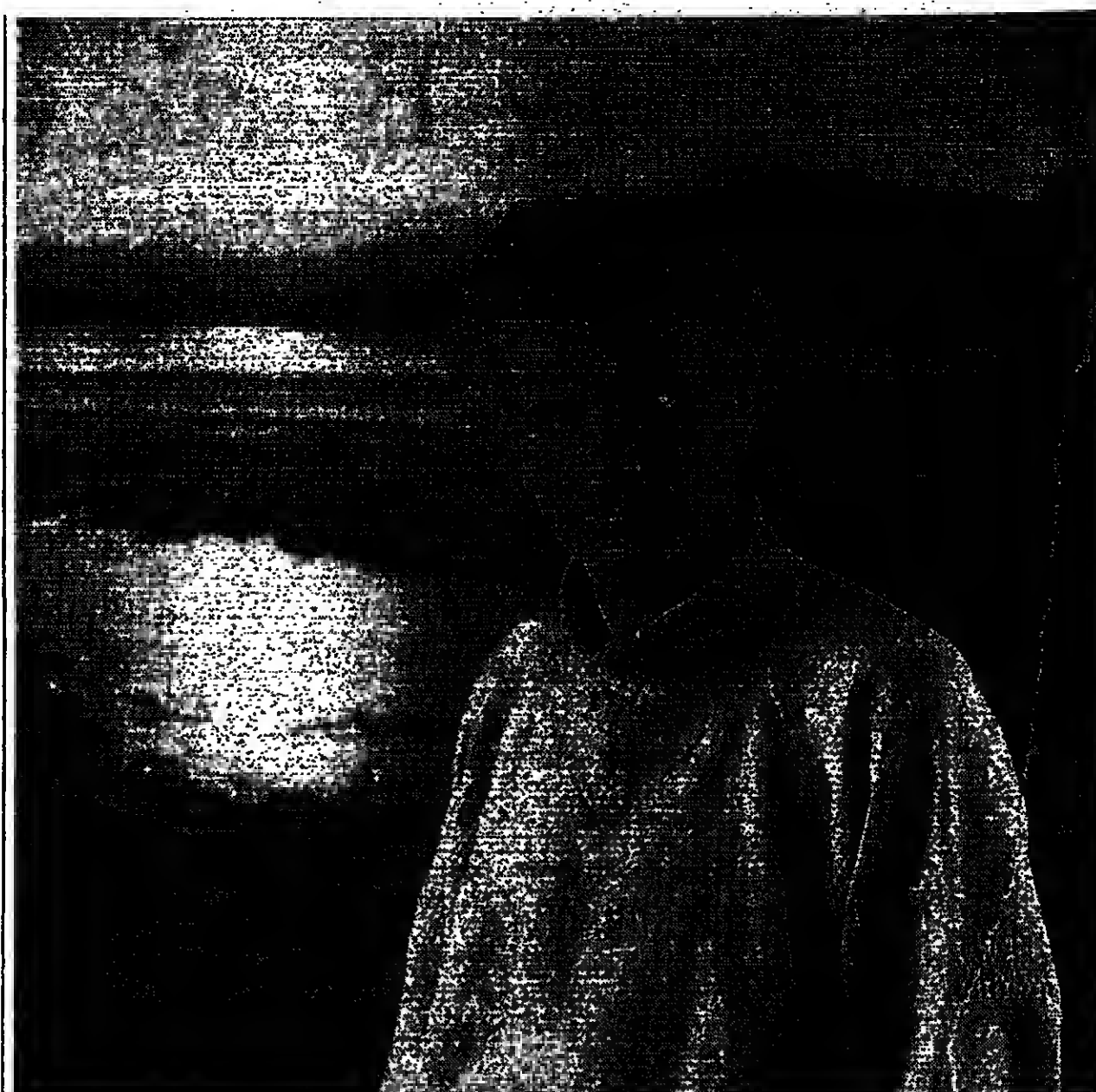
You need to have a high and wild big band in the pack of course and end of millennium madness dictates that it be led by young English eccentric Django Bates, who almost the reincarnates Loose Tubes with his "Delightful Precipice". In several sides of inspired and hugely musical lunacy *Summertime (and us)* (JMT 514 008-2) manages to combine Charles Mingus with Spike Jones to spectacular and breathtakingly cheeky effect.

Some music should be given to the collection and that means bad bass driven funk: Marcus Miller obliged in 1993 with *The Sun Don't Lie* (FDM 36580-2). The somnolent and often foundation shaking bass guitar of Miller leads jazz funk/rock statements such as David Sanborn, Wayne Shorter and Omar Hakim through his own dark compositions. The inventor of the genre, Miles Davis even pops in, posthumously.

And a favourite newcomer for 1993 British tenor saxophonist Travis made his debut with an authentically intoxicating early hours set, *2 a.m.* (334A2201.1). Fluid and fluent in technique, Travis also writes a good tune.

A prodigious number of reissues were mined from the back catalogues this year, like last. Polygram and EMI Records have the richest seam with the Verve and Blue Note labels respectively. My own favourites were a Stan Getz retrospective *The Best of the Verve Years Vol 2* (Verve 517398-2) and *The Rodgers & Hart Songbook* (Verve 516 158-2). The latter matches the great jazz singers (Vanigan, Fitzgerald, Holiday, Simone) with great American songs such as "Little Girl Blue". "You Took Advantage Of Me". Blue Note favourites included, among many, *The Best of Grant Green* (Blue Note 0777 7 896322) which, in this almost "acid" setting exposes the late Green as a greatly underrated talent. The combination of Nancy Wilson's lean and expressive vocal tones alongside Cannonball Adderley's alto sax in the 1961 sessions from the same stable (Capitol Jazz 0777 81284 2) is sublime.

Phil Hardy



Peter Maxwell Davies, who conducts his own 'Worldes Bliss' with the RPO

In praise of modern epics

David Murray admires recordings of Maxwell Davies and Birtwistle

FINE individual performances come and go on records, whilst the music itself continues its serene existence in a timeless realm. But modern recording makes not only unique performances available to far-flung audiences, but new music itself, which in the old days you could discover only by being a good score-reader or travelling far. Two records this year offer landmark-works by British composers to the wider audience.

On Collins 12802, Sir Peter Maxwell Davies conducts his own *Worldes Bliss* with the Royal Philharmonic. Famously, its 1993 Prom audience loathed it and stalked out in droves; now it sounds - in its tortuous, Mahlerian way - like molten inspiration, squeezed out under extraordinary pressure. The CD includes two more recent Davies works, both appealing: the lucid ground-pieces for *The Turn of the Tide*, designed for expansion by school groups, and his

grave, whimsical "in memoriam" jangle for Sir Charles Groves.

On Collins 13872 Elgar Howarth conducts the Philharmonia in both Harrison Birtwistle's grand, rhetorical Prom success of 1972, *The Triumph of Time*, and a grand orchestral suite, *Caesar's Journey* - well, more than a suite, but not quite a symphony - from his resplendent 1991 opera *Gaeanin*. It is not a lengthy opera when Covent Garden revives it.

and back through the score, but every "late" Birtwistle score has its own, fierce consistency, and this re-ordered set of *Gaeanin* parts never sounds like a patchwork. On the contrary, the epic ritual events suggest their own wordless, towering scenario. And any how, the disc gives intrepid listeners the chance to get deep into some magnificent new music - parts of which may be trimmed away from the lengthy opera when Covent Garden revives it.

SEVERAL new and reissued opera recordings dominated my listening year. *Clorinda*, last of Benjamin Britten's operas to reach the recording studio, gets an exhilarating, thoroughly committed performance from Welsh National Opera forces under Charles Mackerras; the superb Elizabeth I of Josephine Barrow and Essex of Philip Langridge lead a first-rate cast. The work itself is not free of dramatic imbalance, flummery and rhubarb; but its richness of musical content and astute approach to foreground personal conflict render the flaws of small account (Argo 440 213-2).

Two 1933 sets of more familiar works - Rossini's *Cenerentola* and Tchaikovsky's *Queen of Spades* - seem to me already the most completely recommendable modern versions.

The former, in Decca's sparkling Bologna-based edition conducted by Riccardo Chailly, has an all-Italian cast (rare in modern Rossini), lively but unforced character (rarer still), and the glowing, tender-hearted heroine of young Cecilia Bartoli, already a mezzo in a million (Decca 436 902-2). The latter, in the third issue of Philips's Kirov Opera series, is magnificently conducted by Valery Gergiev and well sung by Geym Grigorian, Maria Guleghina, Vladimir Chernov and Irina Arkipova; it adds up to a whole, and wholly commanding, view of the terrifying masterpiece (Philips 438 141-2).

Of the main operatic route is the Opera de Lyon double-bill of German-language one-acters by the Tuscan-born Ferruccio Busoni - *Ariocchino*, stylised *commedia dell'arte*, and the "other" *Turandot*, both from the second decade of our century. If Verdi's *Falstaff* were infused with bitterness, well, then stiffened with tough-minded Hindemith, something like these two collectors' items might result. Mixed bag of singers excellently conducted by Kent Nagano (Virgin Classics VCD 7 89313 2).

Even more rewarding, to my mind, is Martinu's 1938 *Julietta*, a mysterious, romantic, deeply affecting exercise in operatic surrealism. The 1994 Prague National Theatre recording, now finely transferred to CD, merits its cult following (Supraphon 10 8176-2). Another reissue that deserves equal cult enthusiasm is the Paris (amor) version of

Opera and other gems

Gluck's *Orpheus* in the 1956 recording conducted by Hans Rosbaud, distinguished above all by the Apollonian nobility of Leopold Simoneau's exquisitely-voiced hero (Philips 434 794-2).

I took endless pleasure from the reissues of two great violin-

Max Loppert begins and ends with a mezzo in a million

ists of eras past. Fritz Kreisler, in a double-album of Victor recordings from the 1920s, carefully restored on the specialist Biddulph label (LAB 068-68), and also in a single disc of more general compilation (EMI References, CDE 7 64701 2), is the first - gloriously subtle, sensuous, charming, a musician without peer in scheming his often trivial material. Leonid Kogan, whose 1959 performances of four popular concertos come in a handy EMI double-pack (7 67782 2), is the second - perhaps not the most trumpet of the leading post-war Soviet players, surely the most "inward" of that elite, most refined, most poetic.

Among new symphony readings worth special attention are Frans Bruggen's Haydn 100 and 104 (Philips 434 098-2) and Schubert Great C major (Phil-

ips 438 006-2), both with Bruggen's Orchestra of the 18th Century and both bursting with spring-beeled new life; naturally shaped, spontaneously musical accounts of Mendelssohn's Scottish and Italian from the San Francisco Symphony under Herbert Blomstedt (Decca 433 811-2); and a simply sensational one of Prokofiev's Third - the riotous, swirling, irresistible symphonic re-thinking of the opera *The Fiery Angel* - from the Philadelphia Orchestra under Riccardo Muti (Philips 432 992-2).

Stravinsky's two-piano (or four-hand) music, including the "black-and-white" version of *The Rite of Spring*, is put across with dazzling zest by Vladimir Askenazy and Andrey Gavrilov (Decca 433 82902). Esa-Pekka Salonen's Stravinsky series for Sony gains new lustre from its latest addition - a beautifully keen, purposeful reappraisal of

Orpheus, most unjustly neglected of the neo-Classical ballads, coupled with an equally keen but slightly over-assertive *Petrushka* (SK 53 274). The Virgin Classics disc devoted to the music of Oliver Knussen, including the *Songs without Voices* and *Hums and Songs of Winnie-the-Pooh*, is modern music at once toughly made and captivating to the ear, small in scale but not in ambition (VC 7 68398 2).

A handful of vocal gems to end. Michael Chance, the most appealing countertenor voice of our day, offers with Christopher Wilson a programme of Lute Songs, touched by grace, sensitivity and eloquent understatement (Chandos CHAN 0538). DG's two-disc reissue (437 348-2) of *Lieder* by the forgotten, still-lamented Irmgard Seefried, stirs and uplifts in the sound of every robustly communicative word and note (and this even when the voice itself was caught in less than perfect estate). And finally, back to Cecilia Bartoli, partnered by the pianist Andrés Schiff, for a programme of Italian songs by Beethoven, Mozart, Haydn and Schubert that gave me greater and more continuous joy than any other record released this year (Decca 440 297-2).

Sing it again...

THE essential folk re-issue of the year is Hanibal's three CD set devoted to the career of Richard Thompson. *Watching the Dark* (NIGCD 5303). A wonderful mix of the rare and the well known from the 1960s and his days with Fairport Convention to the 1990s and his solo recordings. *The Dark* confirms Thompson's stature as an enthralling guitarist and singer and writer of bitter love songs in which pain is forever uppermost. He is, with Elvis Costello, Britain's greatest describer of despair.

Also superb is the first eponymous album of Kate & Anna McGarrigle (Hannibal HNCD 401). On it they cleverly unite the folk and singer-songwriter traditions by yoking together the concerns of singer-songwriter tradition - personal confession, intimacy - with the instruments of folk, rather than rock. The result, which includes their own version of the hit they wrote for Linda Ronstadt, "Heart Like A Wheel" and the oft-recorded "Talk To Me Of Mendocino", is one of the best unknown albums of the 1970s.

For historians the set of the year was *British Pop Before the Beatles* (EMI 739220-226). There was pop music in Britain before the 1960s, but it was a very strange phenomenon. The values of light entertainment held sway and, for the most part, Rock'n'Roll spoke with a decidedly polite growl. Collectively the seven CD set tells the story of how an American music was tentatively transplanted to the UK and, against all expectations took root.

This sense of everything happening at one remove, of intense experiences being filtered through the due decorum of being British, is the prevailing mood of the early volumes. Even when teenagers take over from the first British middle-aged celebrities of Rock'n'Roll, they are just as repressed. Real delight does not figure until volume 3 and 1963 with Cliff Richard's "Move It". Similarly pain, the other central teenage emotion, does not occur until volume 4 and Billy's Pury's brooding, haunted "Maybe Tomorrow". In their place, good taste and condescension to things American reign.

But that certainly does not

mean that the recordings are boring. If one is interested in the complex process that attended the rise of pop (teenage oriented) music at the expense of popular music, this set is essential listening. For example, listening to the CDs two small but significant observations comes to mind: the long time it took for UK session guitarists to lose their guitar band habits and play the guitar with attack rather than restraint (compare the Bert Weedon "clever" version of "Apache" here with the Shadows' recording).

Equally notable is the complete absence of the manic excitement of so much American Rock'n'Roll. The outrage of something like "Riot in Cell Block No 9" is smothered by embarrassment in the British cover version. This set also explains why the Beatles and their fellow beat groups took root so quickly: their forebears had prepared the ground before them but not sown the seed.

On the soul front the great re-issue is the two CD set, *The Best Of Solomon Burke* (Rhino Atlantic 8122-70284-2) which collects together the best of Burke's ever so church derived messages. Not for nothing did Burke dub himself the king of rock and soul. His impassioned soul pleadings - "The Price", "Just Out Of Reach", "Everybody Needs Somebody To Love", etc. - justifies that title.

Phil Hardy

All Simon, no rattle.

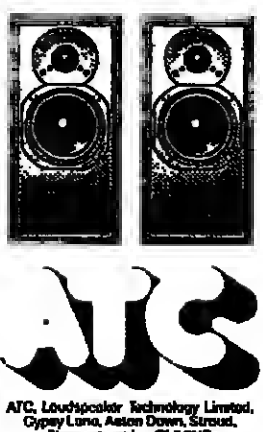
Loudspeakers are the weakest link in a hi-fi system. Because they are mechanical and not electronic, they have more distortion. The only certain way to minimise this is to invest in the best.

ATC are the most highly specified, highly priced speakers in the world. They are dedicated to producing incomparable sound - with nothing added, nothing taken away.

In fact, ATC have about as much in common with most other speakers as a CD with an old LP.

(Buy a pair for Simon.)

For price and details, call Ashley James on 0295 760561 (fax 0295 760833).



ATC Loudspeaker Technology Limited, Copsey Lane, Aspley Grove, Lutterworth, Leics, LE15 9HR.

Music to your ears

For the best in classical music brought to your door, call now for our catalogue. Critics' choices, discount prices, post free.

Tel 071 221 1735
Fax 071 243 0677
Compact Classics Ltd
Freeport, London W11 4BR

0295 760561

One day you may need a friend.

We'd all like to imagine that in old age we'll enjoy a comfortable retirement in the company of friends and loved ones.

However, for many the reality can often be very different. The Friends of the Elderly are dedicated to providing permanent homes, companionship and lifetime care for many elderly people, from professional backgrounds.

One day you may need the help of a friend, so please lend us your support now. To make a donation or find out more call 071 730 8263 or return the coupon.

The General Secretary
Friends of the Elderly, 42 Emory Street,
London SW1W 0LZ.

NAME: _____
ADDRESS: _____
POSTCODE: _____

GIVE YOUR SUPPORT TO
FRIENDS OF THE ELDERLY

ARTS

Christmas shows

Museums for fun

WHATEVER one thinks of it as a political nostrum, "back to basics" is sound advice for anyone intending to give the family something to see and think about this Christmas. I recommend London's Big Three: the British Museum, the National Gallery, and the Victoria & Albert Museum. Of those three, the BM surely must come first especially if it is some time since you saw the old lady of Bloomsbury.

In which case, you have yet to catch up on the shimmering splendour of the Hottel Gallery. This vast gallery of the Far East extends along the length of the north facade, from the colourful ceramic statues of Chinese deities to the drowsy eroticism of the Amuravati temple sculptures.

Five of the BM's galleries have been refurbished recently with a gift of the Sacklers. They redisplay spectacular collections from ancient Mesopotamia, Anatolia, Nubia, and Egypt. Early Egypt was opened this autumn, and offers ghoulish visitors the well-preserved corpse of Predynastic Man.

However, Egypt is "done" in GCSE, so it may not be the great novelty. Redress the balance by inspecting the spine-chilling Great Death Pit of Ur from 2500 BC, with the jewelry which adorned dozens of ritually slaughtered priestesses and the harps to which they might have listened. Who could fail to respond to the gold statuette of the Ram in the Thicket? Replicas of the Royal Game of Ur are on sale.

Games-players must see *The Art of the Chess Piece* (until January 9, free). For the first time since their discovery in 1853, it reunites all 78 of the Lewis Chessmen, the famous 12th-century ivory pieces found in the Outer Hebrides. Private collectors have lent 50 rare chess sets, some charming, some comical, some kitsch.

Also at the BM this winter, *Old Master Drawings from Chatsworth* (until January 9) is full of beautiful things and free. But unless you're a child, K. Clark in splendid museum-clear choice is *Delius and Debussy: the Arts of Hinduism* (until April 10, adults £2). This beautiful exhibition sets out to

explain Hinduism. The gallery is painted in hot red and yellow, hung with superb textiles, and stuffed with images of elephants and spritely monsters. For the family trail and workshops, phone 071-838-8511/8554.

The National Gallery is putting on magic shows with someone called The Great Xar. He or she is billed to appeal to all ages and the illusions relate to pictures in the collection. Daily from December 23 to January 3 in the Sainsbury Wing lecture theatre; entry free, no booking (071-838-3321).

At the Victoria and Albert Museum there is no more beautiful exhibition in London than *Gates of Mystery: the Arts of Holy Russia* (until January 3, open Tuesday to Sunday). It is perhaps not one to risk on children since a flop will cost you dear, with entry charges to the museum and then to the show.

Yet the V&A always does well by children. From now until January 9, activities include Beatrix Potter story-times, drawing workshops, drama, and a gallery trail based on Christmas card imagery. The first Christmas card, sent by the V&A's first director, Sir Henry Cole, in 1843, will be on display and entries can already be submitted for the best home-made card, to be exhibited in the museum. For details: 071-838-8638.

Another sure success is the National Army Museum in Chelsea (free; 071-730-0717). The Waterloo Gallery has strangely effective models and one of my favourite curiosities, the battle field made by the unlucky Captain Siborne in 1830. A manic achievement, it is 410 sq. ft. with 75,000 tin soldiers.

A new gallery, the Victorian Soldier opens on November 26 and shows one of the museum's particular strengths, its Crimean collection, as well as many other conflicts. You will see Lord Raglan's telescope, breeches holed by the Boer, the stuffed remains of Crimean Tom who was heard mowing in the ruins of Odessa and brought back to England. War might not be the obvious choice for a Christmas jaunt.

Patricia Morison

Plays to please

You never can tell about new productions in advance, least of all a critic, but it seems that some remarkably promising performances are coming up.

Take the Royal National Theatre where the two parts of Tony Kushner's *Angels in America* open this weekend. Part One, *Milk and Honey*, has already been seen. Part Two, *Perestroika*, is new. This is serious stuff, brilliantly done, but not for the queasy. The RNT also has its lighter side, giving a third and final run to Alan Bennett's wonderfully staged adaptation of *The Wind in the Willows* from December 1.

The Royal Shakespeare Company is coming on strong, too. Preview of the new production of *Macbeth*, with Derek Jacobi and Cheryl Campbell as the Macbeths, open on December 1, directed by Adrian Noble. Given the ticket sales for Noble's earlier production of *Hamlet*, book early.

You can just catch another brilliant *Hamlet* at the Donmar Warehouse where the Prince is played as a much younger man than usual by Alan Cumming. It finishes at the end of this month, but the same actor is due to star in a revival of the

musical *Cabaret* at the same place from December 9.

A musical entertainment that looks promising is *Piaf* with Elaine Paige directed by Sir Peter Hall at the Piccadilly. Previews start on December 8.

Of the longer runners, you must see David Mamet's *Oleanna* at the Duke of York's. It concerns illiberalism and sexual harassment in an American university. Everyone talks and argues about it afterwards, which is the supreme mark of a successful grown-up play.

In a not dissimilar style, Harold Pinter's new play *Moonlight* shines more brightly now that it has moved from the Almeida to the Comedy. It runs only till the end of the year. Since I suspect it may be Pinter's valedictory, see it.

There are two Noel Cowards. Tom Court's enjoyable production of *Present Laughter*, in which Court also stars, will end at the Globe at Christmas. *Relative Values*, starring Susan Hampshire, has just opened at the newly restored Savoy and, as Coward's last good play, provides a great deal of pleasure.

Do not overlook one of the best English comedies of all time. Oliver Goldsmith's *She Stoops to Conquer* is playing at the Queen's with Donald Sinden and a splendid cast all round. This could be the biggest treat of the lot.

Malcolm Rutherford

MESSIAH
Apelle Chien, Orest & Choir/Chernik
TOP YOUNG SOLOISTS
Tuesday 7 December: 7.30pm
St John's Smith Square, SW1
£16; 12; 10; 7.50 - Tel 071-222 1061



Caravaggio's 'The Taking of Christ', for long thought to be a copy of the original wrongly attributed to his follower Gerard van Honthorst

Caravaggio: the real thing

IT WAS a great week for revellers in Dublin. On Tuesday night, the National Gallery in Dublin unveiled its rediscovered masterpiece by Caravaggio, "The Taking of Christ".

The next night, Ireland qualified for the World Cup. Caravaggio would have loved it, one minute basking in the adulation of experts and art-lovers, the next out roistering with the lads.

For the past 60 years "The Taking of Christ" hung in the parlour of a Jesuit community in Lower Leeson Street in the heart of Georgian Dublin.

Again, Caravaggio would have appreciated the setting. Respectable by day, the street is famed for its cellar bars which roar into life in the small hours. The Jesuit Fathers are now the toast of town for their generosity in placing this priceless masterpiece on indefinite loan to the National Gallery.

The painting was spotted three years ago by Sergio Benedetti, senior restorer at the National Gallery. It was labelled as being by the Dutch artist and devoted follower of Caravaggio, Gerard van Honthorst. However, it was quite obviously a composition by Caravaggio hitherto known only from copies. These range from tolerable to execrable but one, in Odessa, was good enough to have convinced some experts. Benedetti's task was to see whether his intuition was right, and that the Jesuit's strikingly lovely picture was indeed the lost original.

Cleaning and technical examination showed the tell-tale pentimenti, signs that the artist had changed his mind. Copyists usually get things right. It also revealed Caravaggio's hasty, thick brushwork as he deftly laid out his original composition. Experts shown

the picture gave the right verdict, culminating in the approval of Sir Dennis Mahon, doyen of Baroque Italian art. (Oddly enough, when Guinness Mahon agreed to sponsor the unveiling, the company was unaware of the role played by the great nephew of the bank's co-founder.)

The shadowy career of Caravaggio has been made clearer by recent research in Rome. It was known that "The Taking of Christ" was painted for Cyriaco Mattei in 1602, when Caravaggio was 31, a mature

Patricia Morison visits the National Gallery of Ireland in Dublin

artist at the height of his fame. The Mattei family had taken over as Caravaggio's patrons from the louche Cardinal del Monte, who had commissioned (among other things) the notorious homoerotic paintings of cupids and musicians.

For two years, probably the happiest in his life, Caravaggio had rooms in the Mattei family's grandiose palaces. Another masterpiece he painted for them was "The Supper at Emmaus". In London's National Gallery, "The Taking of Christ" was the last of the group. It is a mesmerizing and immensely poignant portrayal of the moment when Judas betrays his Lord with a kiss.

Caravaggio's is an intense psychological interpretation of the arrest of Christ. Swords play such a prominent part in many of his paintings that it is striking that this time Caravaggio, the fanatical swordsman and tavern-brawler, chose drama without violence and left out the traditional figure of St Peter severing the unlucky Mal-

chus's ear.

On the right stands a figure who is not in armour, but holds a lantern and gazes intently with parted lips at Christ. This man could be just a Jewish official, but long ago the Caravaggio scholar Roberto Longhi spotted him as a self-portrait of the artist. It is therefore the artist's hand at the top of the painting, holding the lantern. The counterbalance at the bottom are the fingers of Christ, linked in a gesture of prayer and submission.

Christ, and no one else, is shown full face, eyes closed, with an expression of intense, wordless suffering. To his left there is the hysterical shrieking figure of the young man who, according to the gospel, ran away naked when one of the soldiers grabbed his cloak. Caravaggio's youth is clothed and his red cloak billows over the heads of Christ and Judas, ingeniously rather than naturalistically framing them.

Christ's deadly pallor contrasts with the coarse, wrinkled features of Judas. Yet he is not a caricature, for in those eyes we see an expression of shock as the traitor realises what he has done. Cardinal Girolamo, Cyriaco's brother and a deeply pious, austere character, may have influenced the artist. There is a strongly Franciscan message in the painting's emphasis on abnegation, obedience and martyrdom.

The declining fortunes of the Mattei family forced them to sell "The Taking of Christ" in 1802 to a Scottish laird, William Hamilton Nisbet, along with five other fine paintings. Nisbet thought he had bought a Honthorst and labelled it thus, or rather, as being by "Gerard of the Night", a common nickname. When the Nisbet pictures were sold in Edinburgh in 1921, someone paid

£10.10s for "A Curious Old View of a Racecourse". Someone else paid £8.8s for the so-called Honthorst.

Soon afterwards, the painting was taken to Dublin and in the 1830s, was given to the Jesuit fathers by Dr Marie Lea Wilson, childless widow of a murdered police officer. Caravaggio's reputation made its rapid ascent, but the Honthorst was unseen by scholars. It is splendid that such a masterpiece seems now to have come to rest permanently in Ireland. It is also strangely fitting, for one of Cardinal Girolamo Mattei's titles was defender of the faith in Ireland.

Caravaggio: The Master Revealed, is sponsored by Guinness & Mahon until 31 January 31. The gallery itself is undergoing major renovation so much of the permanent collection will not be seen for several years.

Off the Wall/Antony Thorncroft Take the biscuit

LORD PALUMBO, chairman of the Arts Council, was noble this week. He admitted that the Council had made a hash of trying to cut grants to the regional theatres, and he assumed responsibility. He also offered a hint of hope that the Council will not repeat that fiasco in its review of the London orchestras.

On the surface Palumbo is still committed to withdrawing subsidy from two of the big three - either the LPO, the RPO, or the Philharmonia. But, as in the regional theatre scam, the Council's strategy has gone wrong from the start. Unwilling to take responsibility for its decision it invited Mr Justice Hoffmann to chair an outside jury and pronounce sentence.

Apparently Leonard Hoffmann is unhappy with the situation, especially as the committee seems to have its hands tied - the LPO, resident orchestra on the South Bank, has an in-built advantage. It is now more than possible that the Hoffmann panel will duck the issue. Even if it does recommend a withdrawal of funding Palumbo made the point this week that it will be the Arts Council, at its December meeting, that will make the final choice. And it was the full Council that threw out the planned cuts by its drama panel on the regional theatres.

So arts sponsorship is alive and kicking. True the 1992-93 expenditure figures released on Thursday show a 13 per cent fall, to £27.6m, but the 1991-92 total of £36.4m was inflated by the £11m that companies poured into the Japan Festival. Another reason for the decline is the near completion of the new Glyndebourne, which has absorbed much of the corporate support for arts rebuilding projects. Indeed the cut back in capital expenditure, from £12.5m to £5.4m, accounts for most of the annual drop.

We can see what is happening. In 1991-92 the first response of companies to the recession was to reduce corporate hospitality, and their contributions to corporate membership schemes slumped from £12.5m to £7.9m. Now they have decided to turn down

appeals for capital projects. But companies have maintained their sponsorship of arts events, particularly in the north, where arts sponsorship is registering a near 70 per cent rise. The biggest losers have been in London and the south.

A most dramatic moment recently took place, appropriately enough, at the Arts Council. One morning in 1990 a secretary slit open a letter and out fell a cheque for £1m. Of course the Council thought it was the latest mind-expanding play by some performance artist, but then a lawyer appeared to announce that the money came from the estate of an anonymous wartime refugee.

Some sceptics saw the munificent hand of Palumbo behind the cheque, but whatever the source he suggested that the benefaction went towards an independent Arts Foundation with the task of encouraging the avant-garde. The original aim was to expand the funds of the Foundation in £10m, or more, but had publicity resulted in additional support of just £2,500. Grand plans to open a mini Pompidou Centre in London were jettisoned and the Foundation faded into obscurity.

So it was an agreeable surprise to find the Foundation actually giving out money to artists. The interest on its investments funded five cheques for £12,500 which were handed out on Wednesday to aspiring young artists - the ceramicists, Philip Eglin and Sara Radstone, the poet Linda France, the playwright Big Thomas, and the photographer Ken Grant. The judges in the multi-disciplinary category were unable to award a prize because no one really knew what they were looking for.

The Arts Foundation will shortly re-launch itself. It has been very careful with its money. As Lord Palumbo pointed out, the lunch to distribute the prizes was the gift of a generous sponsor. No prizes for guessing his name. On the subject of good housekeeping, the Arts Council announced this week that it had saved £1,000 of tax payers' money this year by cutting the biscuit allowance of its HQ staff.

David Pownall's new play
about the life and work of
England's great composer,
Edward Elgar

RSC
ROYAL SHAKESPEARE COMPANY
Royal Insurance

Elgar's Rondo

World Premiere

'A masterpiece...
David Pownall's profound,
funny and intensely
moving play'

'Alec McCowen's wonderful
performance...
gently absorbing...
enhanced by deeply
moving music'

Next performance:
23, 26, 30 November,
8, 11, 17 December 7.30pm;
4, 9, 16 December 1.30pm
and continuing.

SWAN THEATRE
STRAITFORD-UPON-AVON
BOX OFFICE
0789 295623

ROYAL ALBERT HALL
Box Office
071 599 8212

VICTOR HOCHHAUSER presents at the ROYAL ALBERT HALL

SEVEN SPECTACULAR NEW YEAR GALAS

Monday 27 December at 7.30
GRAND CLASSICAL GALA
National Symphony Orchestra
Conductor David Coleman
Pro Musica Chorus, Kentish Opera Chorus
Band of the Grenadier Guards
Baritone Alan Ogle
MENDELSSOHN Overture, Elgar's Coronation March, ROSSINI
Largo al Cautembaro di Soave, HANDEL Hallelujah Chorus, The Messiah, JOHANNES BRAHMS Violin Concerto, VAUGHAN WILLIAMS Symphonies
VERDI Auld Chorus, Elgar's Coronation March, 1, ALBINONI Adagio
DUKAS The Sorcerer's Apprentice, ELGAR Pomp & Circumstances March No. 1, ALBINONI Adagio
GOUDON Soldier's Chorus, VERDI Di Provenza La Traviata, BORIS CRISTIANI Russian Dance, Paganini
LEONCAVALLO Prelude, RAVEL Bolero
JOHANN STRAUSS Waltzes, RAVEL Bolero
Tchaikovsky 1812 OVERTURE
with cannon & mortar effects
SPECTACULAR LASERS

Tuesday 28 December at 7.30
GRAND OPERA GALA
National Symphony Orchestra
Conductor David Coleman
Malcolm Sargens Festival Choir
Fanfare Trumpeters of the Grenadier Guards
Soprano Julie Dalton Tenor Anthony Mee
Baritone David Barrell
VERDI Overture La Forza del Destino
PUCCINI Che gelida manina, Si un chiamo il mio, O soave
Mozart La Boheme, VERDI Ballo in Maschera
PUCCINI One fine day, Humming Chorus, Madama Butterfly,
VERDI Die Meistersinger von Nürnberg
VERDI Grand March, Puccini Infanzuola
Lecchi, VERDI Rinaldo, Di provenza a me la Traviata,
PUCCINI Vesti la giubba, E lucevan le stelle, Te deum Rossini
VERDI La donna è mobile, Rigoletto, VERDI Rigoletto
VERDI Overture a Il Trovatore, VERDI Rigoletto
VERDI Overture a Il Trovatore, VERDI Rigoletto
VERDI Overture a Il Trovatore, VERDI Rigoletto

Thursday 30 December at 7.30
GRAND TCHAIKOVSKY GALA
National Symphony Orchestra
Conductor David Coleman
Malcolm Sargens Festival Choir
Fanfare Trumpeters of the Grenadier Guards
Soprano Julie Dalton Tenor Anthony Mee
Baritone David Barrell
Fantasy Overture, Romeo & Juliet
"Swan Lake - Pas de deux
Eugene Onegin - Waltz & Polonaise
Capriccio Italien
March - Symphony No. 6
"Nutcracker - Grand Pas de deux
Overture "1812"
with cannon & mortar effects
SPECTACULAR LASERS
*Turns to be danced

Friday 31 December at 7.30
GRAND OPERA GALA
National Symphony Orchestra
Conductor David Coleman
Malcolm Sargens Festival Choir
Fanfare Trumpeters of the Grenadier Guards
"FOUR GREAT OPERA STARS"
Soprano Susan McClatchy Mezzo Sally Burgess
Tenor Edmund Barton Baritone Keith Latham
ON HANDEL'S GRIFFIN, Largo al Cautembaro, Una voce poe in
BARBER OF SEVILLE, Auld Chorus, IL TRUCCO, TI HO
bambino mio, GIOVANNI SCHICHI, On tells the world I
PAGLIAZZI, Flower duet, LAMME, Don't the PEARLSERS
Soldiers' Chorus, FAUST, Grand March, AIDA, Sassy
Jewels my heart, SANSOVI & DELL'ALBA, Tondador's song
CARMINI, Ride of the Valkyries, DIE WALKURE, Casart
RICCIOTTO, Improvviso, ANDREA CHENIERE Love duet
OILLO, Masetta's Waltz, LA BOHEME, Intermzzo
CAVALIERA RUSTICANA, Show a Malibou
NABUCCO, Newborn storm, First scene TURANDOT
Overture & Party Some DIE FLEDERMAUS
with a wealth of surprises!

Saturday 1 January at 7.30
VIENNESE NEW YEAR GALA
National Symphony Orchestra
Conductor David Coleman
The Strauss Ballet Company
Supper Overture Light Cavalry
Johann Strauss II Overture from Graduation Ball
Konsertante Waltz, Good Girl Polka
Perpetuum Mobile, Cuckoo Polka, Emperor Waltz,
New Year Galop, Hungarian Polka, Appleton
March, Chatterbox Polka, Tales from the Vienna
Woods, Piccadilly Polka, The Blue Danube Waltz
Johann Strauss Anna Polka,
Waltz, Strauss' Waltz, Waltz Espagnole
Johann Strauss I Radetzky March, Blue Danube
Hans Christian Lumbye Champagne Galop
With many surprises to celebrate the New Year
*Turns to be danced

Moscow CITY BALLET
MAGNIFICENT COMPANY OF 80 DANCERS
In complete and fully-staged productions of
SWAN LAKE
SUNDAY 28 DECEMBER at 7.30
THE SLEEPING BEAUTY
SUNDAY 2 JANUARY at 7.30
"SHEER MAGIC... SUPERB... A WINNER
AND I PROMISE YOU NOT TO MISS IT!"
- High Times

NB POWER

to meet to
to proceed.
In the Ukraine, unable and
Electricite de France, told me

TELEVISION

SATURDAY

BBC1

7.00 *Leeds*, 7.30 *News*, 7.50 *Working Together*, 8.00 *Fall the Cat*, 8.30 *Peter Pan and the Pirates*, 8.50 *Madame Mallow Investigations*, 9.00 *Tom and Jerry's Greatest Hits*, 9.30 *Live and Kicking*.

12.12 Weather.

12.12 *Grandstand*. Introduced by Steve Rider. 12.20 *Football Focus*. A preview of today's matches. 12.25 *Racing from Ascot*. The 12.45 *Aurelia* Hurdle Race and the 1.20 *H & T Walker Gold Cup Chase* (Limited HCP). 1.30 *Racing from Ascot*. The 1.30 *John Smith Memorial Handicap*, 1.00 *Stanley Leisure Children in Need Handicap* Hurdle, and the 1.35 *Crowther Horner Chase*. 1.40 *Scottish Rugby Union*. Live coverage of Scotland v New Zealand from Murrayfield. 3.30 *Racing from Ascot*. The 3.30 *Stewards' Cup Chase*, 3.45 *Racing from Ascot*. The 3.40 *Gardiner Merchant Hurdle Race* (Handicap), 3.50 *Snooker*. The first stages of the UK Championship from the Guild Hall, Preston. 4.35 *Final Score*. Times may vary.

5.08 News.

5.15 Regional News and Sport.

5.20 Happy Families.

6.05 Dad's Army.

6.35 Noel's House Party.

7.30 Big Break.

8.00 Casualty.

8.50 News and Sport: Weather.

9.10 Harry.

10.00 Match of the Day.

11.00 Film: Uncommon Valor.

12.40 Weather.

12.45 Close.

BBC2

8.45 *Open University*, 8.55 *Macgregor's Scotland*, 10.00 *Open University* (English subtitles), 11.00 *Open University* (English subtitles), 12.15 *Open University* (English subtitles).

1.40 Quantum Special.

2.10 Chiffonade.

3.00 Film: L.A. Affair.

4.50 The Day at Night.

5.10 Late Again.

5.50 Top Gear Rally Report.

6.00 News and Sport: Weather.

6.35 Snooker: UK Championship.

7.05 The Great Depression.

8.00 Performances None.

8.50 News and Sport: Weather.

9.00 Have I Got News for You.

9.30 Star Trek: Voyager.

9.50 Star Trek: Voyager.

10.00 Open Space.

11.05 Open Space.

11.45 Snooker: UK Championship.

1.40 Close.

LWT

6.00 *GMTV*, 9.25 *What's Up Doc?*, 11.30 *The ITV Chart Show*, 12.30 *pm Speechway*.

1.00 ITN News: Weather.

1.08 London Today: Weather.

1.10 Champions' League Preview.

1.40 Movies, Games and Videos.

2.10 The Big Valley.

3.05 NBA Basketball.

4.05 ITN News and Results: Weather.

4.50 London Tonight and Sport: Weather.

5.10 Catchphrase.

5.40 Gladiators.

6.40 Blind Date.

7.40 The Royal Variety Performance.

10.15 ITN News: Weather.

10.25 London Weather.

10.30 Film: Last Tango in Paris.

1.25 Get Stuffed: ITN News Headlines.

1.30 Travel Trails.

2.00 New Music.

2.00 Get Stuffed: ITN News Headlines.

3.05 European Nine-Ball Pool Masters.

4.05 Coach.

4.30 BPM: Night Shift.

CHANNEL4

6.00 *Early Morning*, 8.45 *The American Football*, 9.00 *11.00* *Gazetta Football Italia*, 12.00 *Sign On*, 12.30 *pm Move Match*.

1.05 Flint Kippis.

3.05 Film: The Captive Heart.

4.55 Magoo's Glorious Fourth.

5.05 Brookside.

6.30 Right to Reply.

7.00 A Week in Politics.

8.00 Four Nations.

8.30 Whose Line is it Anyway?

9.00 Brides of Christ.

10.05 Romy Bremner: Who Else?

10.45 Film: The Killing of a Chinese Bookie.

12.40 Late Licence.

12.50 Herman's Head.

1.25 Eurotrash.

1.58 The Word.

3.00 Saturday Zoo.

4.05 The Lovers.

4.35 Made in the USA.

5.20 Close.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:
ANGLIA: 12.30 *Movers, Games and Videos*, 1.05 *Anglia News*, 1.40 *COPS*, 2.05 *Match's Cove*, (1970) 3.45 *Friday Night*, 4.55 *Anglia News* and *Sport*, 5.00 *Sports Results*.
BORDER: 12.30 *Movers, Games and Videos*, 1.05 *Border News*, 1.40 *Border News*, 2.05 *Border News*, (1970) 3.45 *Friday Night*, 4.55 *Border News* and *Sport*, 5.00 *Sports Results*.
CENTRAL: 12.30 *Movers, Games and Videos*, 1.05 *Central News*, 1.40 *Central News*, 2.05 *Central News*, (1970) 3.45 *Friday Night*, 4.55 *Central News* and *Sport*, 5.00 *Sports Results*.
GRAMPIAN: 12.30 *Movers, Games and Videos*, 1.05 *Grampian News*, 1.40 *Grampian News*, 2.05 *Grampian News*, (1970) 3.45 *Friday Night*, 4.55 *Grampian News* and *Sport*, 5.00 *Sports Results*.
ITV: 12.30 *Movers, Games and Videos*, 1.05 *ITV News*, 1.40 *ITV News*, 2.05 *ITV News*, (1970) 3.45 *Friday Night*, 4.55 *ITV News* and *Sport*, 5.00 *Sports Results*.
MERIDIAN: 12.30 *Movers, Games and Videos*, 1.05 *Meridian News*, 1.40 *Meridian News*, 2.05 *Meridian News*, (1970) 3.45 *Friday Night*, 4.55 *Meridian News* and *Sport*, 5.00 *Sports Results*.
SCOTLAND: 12.30 *Movers, Games and Videos*, 1.05 *Scotland News*, 1.40 *Scotland News*, 2.05 *Scotland News*, (1970) 3.45 *Friday Night*, 4.55 *Scotland News* and *Sport*, 5.00 *Sports Results*.
TEES: 12.30 *Movers, Games and Videos*, 1.05 *Tees News*, 1.40 *Tees News*, 2.05 *Tees News*, (1970) 3.45 *Friday Night*, 4.55 *Tees News* and *Sport*, 5.00 *Sports Results*.
WESTCOUNTRY: 12.30 *Movers, Games and Videos*, 1.05 *Westcountry News*, 1.40 *Westcountry News*, 2.05 *Westcountry News*, (1970) 3.45 *Friday Night*, 4.55 *Westcountry News* and *Sport*, 5.00 *Sports Results*.
YORKSHIRE: 12.30 *Movers, Games and Videos*, 1.05 *Yorkshire News*, 1.40 *Yorkshire News*, 2.05 *Yorkshire News*, (1970) 3.45 *Friday Night*, 4.55 *Yorkshire News* and *Sport*, 5.00 *Sports Results*.

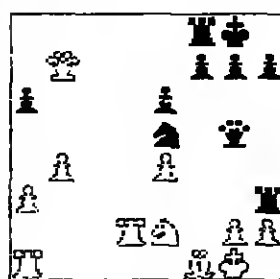
CHESS

THE SOVIET Union may be dead, but it is still a powerful chess force. How powerful? It was shown at the recent world team championship in Lucerne, where the US won ahead of Ukraine, Russia, Armenia and Latvia - but only with the aid of ex-Soviets on the top four boards in the US team of six. England, bronze medalists in the 1979 world team event, failed to qualify.

However, achieved, the US victory will influence the delicate balance of chess power between FIDE, the governing body of world chess, and the breakaway Kasparyan Short Professional Chess Association, based in Wall Street and aiming to attract US corporate sponsors for a new global chess circuit independent of FIDE.

Back in the 1980s the US won the chess olympics four times in seven years. Now its team is again champions while Gata Kasparyan, the 19-year-old US No 1, is a potential rival to Kasparyan and Karpov, public support is growing, as the US Chess Federation reports a record membership of 70,000.

Many tournaments have game brilliancy awards, but Lucerne introduced a prize for a single move (Smbat Lputian, Armenia, White; Margale Petrusian, Iceland, Black; world team 1993).



What happens if White counters the 'magical move' by 24 Rdd1?
Solution Page XX

Leonard Barden

BRIDGE

TODAY'S hand, which comes from teams-of-four, resulted in a game swing. How would you cope with Early Concession?

N

♠ 10 9 5

♥ 7 5

♦ K J 2

♣ 8 6 2

♠ 7

♥ A K J 6 4

♦ 9 6 5 3

♣ A J 7

S

♠ A K Q 8 4 3 2

♥ A 6 4

♦ K 5 4

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

♠ 10 9 8 3 2

♥ 10 9 8 3 2

♦ 10 9 8 3 2

♣ 10 9 8 3 2

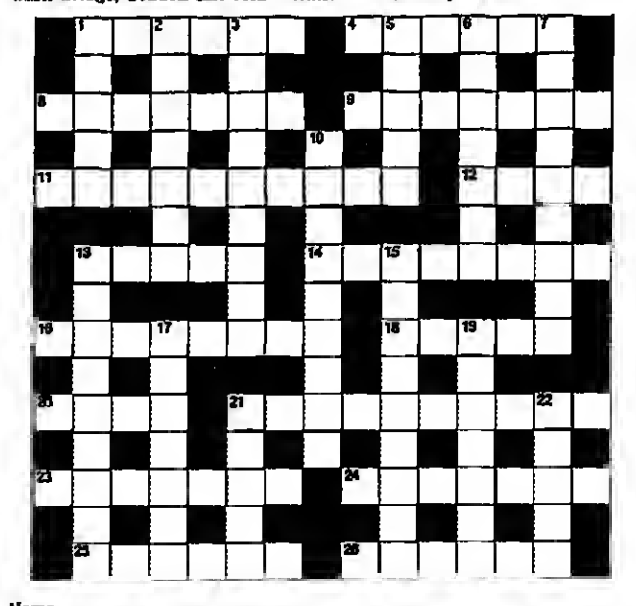
or to find East with the club ace. South ruffed the king, drew trumps with dummy's knave, and returned a club. East played the nine, and South's king lost to the ace. West cashed his knave and East made his queen. The heart return was ruffed in hand, the diamond ace was cashed and dummy's knave finessed - one down.

In the other room by identical bidding South was declared in four spades. West again led the heart king, South did not ruff but discarded his four of diamonds. West switched to seven of spades, taken in dummy and the heart seven was ruffed. Casting ace and king of diamonds, South ruffed the diamond knave and crossed to the table with a trump. The heart queen was played and declarer discarded a club. West took and was played. He had the choice of setting up South's club king, or of conceding the ruff discard.

E P C Cotter

CROSSWORD

No. 8,311 Set by DINMUTZ
A prize of a classic Pelikan Souvenir 600 fountain pen, inscribed with the winner's name for the first correct solution, opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday December 1, marked Crossword 8,311 on the magazine, and the financial Times, 1 South-west Bridge, London SE1 8NL. Solution on Saturday December 4.



Name _____

Address _____

1 Swift take-off, say? (6)

4 Fairy, in play, may hang in corners (6)

6 What is Britain's first process, chess, say? (7)

9 Abnormal conditions of lower members, for example, in skulls (3,4)

11 One may help family in giving hand with luggage (10)

12 Have no stomach for hospital tea, possibly? (4)

13 Some dramatic pieces for violin (6)

14 Breathing-spaces below the bridge (5)

16 Admiral dancing around Galeshead in glee (8)

18 Revive a pre-burial vigil (5)

20 Austrian composer at his peak? (4)

21 Those like Edward, fathers or owners? (10)

23 This medical disorder often recurs? (7)

24 Ticks of gold shares? (7)

25 Not the practice of the Chrele Line (6)

26 Euterpe, for example, died laughing (6)

DOWN

1 Etruscan city in sea? That cannot be right (5)

2 Saint yonder as retired? (7)

3 Settlement of account (6)

5 Nothing sour in the snail (5)

6 New wealth and riches opening up for European song contest winner? (7)



FINALLY, we have been put out of our misery. England are out of the World Cup or, as the sports writers insist on calling it, "the greatest footballing show on earth."

The misery in question, however, is not chiefly that of the England soccer team but of the millions of us who find the national game ugly and pointless. We dreaded the thought of the saturation coverage which would ensue if the England team qualified for the finals. We remembered how, during the last World Cup, it was impossible to arrange a dinner party in case it clashed with yet another game in England's unlikely advance to the semi-finals. Or one did go ahead only to find guests rushing from

the table asking if there was a television in the house.

But, as I say, we are out of our misery. The summer will be filled instead with the proper and civilised sound of leather on willow rather than leather on head or boot, or whatever other parts of the anatomy footballers use to play their random, undisciplined and rowdy game.

There was a danger that one or other of the home nations would qualify for "the greatest footballing show on earth." Had Wales qualified then it would immediately have been adopted, even by people

who normally regard the Celtic fringes as fit subjects only for after-dinner jokes. Fortunately, however, Scotland, Wales and Northern Ireland all managed to emulate England's non-achievement.

The Republic of Ireland did qualify and the inevitable happened: the English press began to describe that nation as part of "the British Isles." True enough, but it was the first time I had heard this expression outside of a geography text book. The point, of course, was to persuade us that we are in some way still connected with, and intimately involved in, "The greatest

footballing show on earth." Had Ireland not qualified all would not have been lost. Eventually, the list of referees chosen to arbitrate in the World Cup finals would have been published and there might well have been an Englishman on it. There would have ensued innumerable newspaper articles about "England's man at the greatest footballing show on earth."

I wrote last week that I had been so hurried in writing a book that no items of news penetrated my consciousness. This was not quite the case. The one event of global importance which was so insis-

tently reported that even I knew, was the England soccer team's loss to the Netherlands. In particular, I gleaned the impression that it was unfair. It was all the fault of a German referee.

This, it seemed to me at the time, was the worst thing about the media's obsession with the travails of the England team: we were always unlucky. If it was not a conveniently German referee, then it was an injury to England's best player, or the run of the ball which was "cruel", or our manager's inexplicable failure to select our best side, or one of their players should

have been sent off. No one ever seemed prepared to admit that other nations had, perhaps, produced more talented players and that is why they won and we lost. Somehow the idea persists that we ought always to win, and that if we do not, we are the victims of malicious fortune, or bad management.

To a small extent this national disease of making excuses has spread into the nobler game of cricket. I would be rash to comment on the last week's High Court libel action over the matter of alleged Pakistani ball-tampering in Test

matches against England. But it is hard to avoid the impression that the main stimulus to the press's charges was the desire to find a reason for the England team's defeat which did not include the fact that the Pakistani team were simply much better players.

This whingeing would be more tolerable if, when England win, we were able to do so without any gloating. It is hard to remember when an England victory was not so greeted by the home press.

Doubtless other nations are as bad. Some might be worse. But I am delighted that they will be the ones to endure more months of hyperbole and hackery, while we in England can open a newspaper or watch television without being forced to take part in "The greatest footballing show on earth."

■ *Dominic Lawson is Editor of The Spectator*

The English sense of foul play

While his countrymen mourn, Dominic Lawson views this week's World Cup results with relief

Private View/Christian Tyler

Doctor on call for science

THE BICYCLING embryologist took off his clips and declared: "Potholes are much more dangerous than genetic engineering."

Lewis Wolpert, a professor of medical biology, blames Mary Shelley ("the evil fairy god-mother of science") for frightening people down to this day. "The Frankenstein image touches something very deep in our psyche," he said.

Monday sees the start of a "European week for scientific culture," a programme of conferences, films, school visits, including a ballet based on the Big Bang theory of the birth of the universe. The aim is to encourage more career scientists, to stimulate popular participation in policy-making and restore science to its place in European culture.

This is very much Prof Wolpert's theme, although he expresses it more energetically and provocatively than does Directorate XII of the European Commission, sponsor of next week's programme.

"Even the most intelligent of my friends worry about armies of human clones. I say: where will they go to school? Where are all the mothers going to come from? We know from the Hitler Youth that you don't have to go through cloning to get people to think along the same lines. The fears are grotesquely exaggerated."

Wolpert, a fellow of the Royal Society, is shortly to take over chairmanship of the Committee for the Public Understanding of Science, a UK body founded apparently on the premise that public ignorance of science is creating fear, and fear hostility.

This harks back to the famous Two Cultures Jernald delivered by C.P. Snow in 1959. Was there still a problem, I asked?

"Snow was putting forward the idea that for most people true culture - in the wonderful phrase of Max Perutz - is carried by the humanities while scientists have merely been the plumbers of civilisation," Wolpert replied.

Yet people were fascinated by science, he added. They were not so much hostile as ambivalent, because science was so difficult, an unnatural way of thinking (he has written a book on this theme). Science lacked role models and

suffered from media stereotyping: practitioners were portrayed as detached, boring people without spouses, children or passions. Anyway, he concluded, guess and television were run by arts graduates.

He thinks there has always been a gulf between scientific knowledge and public understanding, probably even in Archimedes' day.

Perhaps, I suggested, mankind is not biologically adapted to contemplating the cosmic or the atomic.

"I don't think it's even that. The real difficulty is that you can live your life - I hate saying this - extremely comfortably without knowing any science whatsoever. And most people do."

Lewis Wolpert is a leading embryologist and loves a fight. He has been chosen to defend the good name of science

"You see science is a peculiar thing. But if you want to take your part as a citizen, to take decisions about nuclear power and so forth, then you need to know."

Why do you think people still read horoscopes? "People like a mystical idea of the world. They like magic. I don't have an explanation for that. The New Age people love the discovery of quantum mechanics and black holes. They take this hard-won hard science and they use it for mysticism. 'Look,' they say, 'we always told you the universe was magical.'"

I said: you can't blame them if our ultimate knowledge turns out to be bizarre... "No, it's such hard, difficult mathematical stuff." He sounded quite angry. Science doesn't make you feel better: it doesn't lead to an afterlife. It doesn't give you any purpose in your life. It removes magical powers like the ability to predict the future, read minds and so on. So you feel less comfortable."

You see such people as poor, lost children? "Yes. The professor grinned wolfishly as if he'd eaten a New Ager for breakfast. "I do. You're wicked."

Do you want them to give up astrology? "No. That would be an absurd view..."

But when I pressed him he eventually admitted that was what he wanted. "I'd rather they did the pools," he said.

Prof Wolpert is by turns dogmatic and doubtful; he thrives on controversy, loves to be provocative and is easily provoked in turn. His bitter notes include disparaging journalists (he named some) and "relativist" sociologists who regard scientific knowledge as no more than another human invention. Philosophers were good, but irrelevant.

"I'd like to see myself as a liberal," he said. I'm terribly permissive really. On the other hand I love being politically incorrect." He paused as a doubt surfaced. "Although I'm totally against PC, the fact that there is a discussion about it has sensitized people to the way our society works. I would have to recognise that the sensitivity is really quite positive."

Wolpert works at University College and Middlesex School of Medicine in London. He studies the mechanism by which the fertilised egg gives rise to limbs and is best known for his account of how cells know what to do. (Like mass flagwavers in a stadium display they get the same instruction sheet telling them what to do in whatever position they occupy.)

He was born in Johannesburg, to a middle-class Lithuanian Jewish family, swung to the Left but had no stomach for politics. He studied civil engineering because he was good at maths.

"I couldn't stand it. They were so boring. No, I liked them. They were very good friends. I loathed the course. All my friends in the arts were pretty girls reading D.H. Lawrence and there was I in the beastly room doing engineering drawings. Even on holidays I used to have to work in the sewers of the municipalities."

He worked in South Africa, hitch-hiked north to Israel, and moved to London where he converted to zoology at the age of 25, taking his BA and PhD simultaneously at King's College. He has the Scientific

Medal of the Zoological Society and has been a member of the Medical Research Council.

Discussing the technical and moral limitations of genetic engineering, Wolpert insisted that scientists have nothing more to say about ethical dilemmas than any other citizen. It was for the scientists to advise, the public to debate, and parliaments to legislate.

But as an out-and-out materialist (biologists tend to be), he looks forwards to the day when science will enable us to isolate and treat criminal tendencies, say, as readily as any disease.

"I can think of no situation in which knowledge would make things in principle worse. Because knowledge is neutral. I feel very strongly about that. This nonsense that science has some sort of value attached. Rubbish."

The molecular biologist is interested in humans as organisations of cells. Would he not always be regarded with suspicion by those who see the human being as a whole?

"I don't think you're right. It's no longer regarded as murder to turn off a life-support machine. Abortion is allowed. My materialist position has no bearing on this whatsoever."

As a person you have one construct of the world, as a scientist another? "Absolutely."

And the two things should not be confused?

"Absolutely. My responsibilities as a citizen have nothing to do with my responsibilities as a scientist."

It is a familiar argument. Yet this emphasis on detachment, on privileged status for scientific inquiry may be what most worries the non-scientist. Wolpert insists that scientific knowledge is superior knowledge. When you say it is superior, what do you mean?

"It's the only way to understand the world."

But you've just said that as a citizen you have to look at it in one way, as a scientist in another.

"There is a big difference between understanding and making judgments."

I thought of the non-sciences which lay claim to understanding: economics, history, religion. Why should science be 'superior'?

"In the sense that there are no alternative explanations. And superior in that it is also probably true and can be shown to be true - or false."

Wolpert mentioned religion, and said he agreed with the sociologist Max Weber that the secularisation of the western world owes more to capitalism than to scientific knowledge.

Although a hard-line materialist, he said, he easily understood why religion was so attractive. (His brother-in-law, the Australian Richard Neville of Oz trial fame in the Sixties

had recently given him *The Tibetan Book of the Dead*.)

"Many very distinguished scientists - living and dead - are deeply religious. Now, for me, religion is not all that different from astrology. But I wouldn't want people to give up their religion."

Are you a non-believer because you are a biologist? "I gave up religion long before I took up science."

Science and religion are contradictory but plainly can co-exist in the same mind, he said. "I claim that is because one is natural and the other totally unnatural." (Science, of course, is the unnatural one).

Religion may be more impor-

tant to people than science, then?

"No question. Because it tells them how to live their lives."

Wolpert quotes Tolstoy, who said science is meaningless because it does not answer the questions What Shall We Do? and How Shall We Be? He quotes Einstein, who said that there was no conflict between the two because 'science without religion is lame, religion without science is blind'.

So to many people the knowledge they get from religion is superior?

"I agree with you. It doesn't mean to say that they're right."

But science remains a privileged kind of knowledge?

"I couldn't agree more."

Perhaps it's just this word 'superior' that you'll have to drop?

Wolpert grinned. "I don't think I'm prepared to do that."

The professor donned his red anorak, put on his clips and safety helmet and wheeled his bicycle to the lift. As he whizzed gleefully away to Mayfair to hear a lecture on gene therapy it seemed to me I had missed a dialectical trick. It was not knowledge we had been arguing about here, but wisdom.

■ *"The Unnatural Nature of Science," Faber.*



The mutation of Mr Major

Michael Thompson-Noel



Is it only three years since John Major shot through a hole in the ozone layer and fell to earth? It seems longer than three years. It seems like half a lifetime. He does not go away. He just keeps mutating. Digging himself in deeper. Singing a different tune. Softening or hardening the message as circumstance dictates. It used to look haphazard, but that was just a smokescreen. I think we have got a problem.

I went to a dinner this week. The good, the great and the pasty. Tiaras and jewelled cufflinks. Servants scuttling and scraping. Everyone in their place. You could hardly call it classless. There was a peculiar, malevolent heartiness, and a single recurring joke. "Did you hear the one about the single mother of twins who wrote to the council because she wanted a larger house with a swimming pool and a squash court?"

The toastmaster cleared his

throat. My lords, ladies and gentlemen, pray silence for the prime minister. And up stood John Major, talking about core values. Time to get back to basics. Family first and foremost. It only takes self-discipline. Britain once ruled the waves, and so she would again.

Next day I visited a supermarket. Sainsbury's, as it happened. I could tell by the rudeness and queues. The price war was turning vicious. They were giving the stuff away. I recognised the patrons. I had seen them the night before: the good, the great and the pasty. Only their clothes were different.

Their voices were the same. They were laughing just as loudly. "Did you hear the one about the single mother of twins who wrote to the council because she wanted a larger house with a swimming pool and a squash court?"

John Major, boisterous and aproned, was serving at the meat counter. Business was very brisk. As the prime minis-

ter wrapped sausages and trimmed the fat from chops, he spoke about his determination to return to core values, rediscover the basics, family first and foremost. Only takes self-discipline. Britain would rule again.

That night I went to the theatre. They were all there in

HAWKS & HANDSAWS

their seats: the good, the great, the pasty. The joke ran round and round. "Did you hear the one about the single mother of twins who wrote to the council..."?

John Major appeared at the interval, earning sustained applause for a moving evocation of a gentler, simpler age when families stayed together and just stuck to basics. Wave their own cloth, crushed their

own grain, trampled their own wine and amused themselves at home with quizzes and simple games.

Envy was unknown. Everyone in his place. You got ahead or you didn't, and were grateful in either case. Crime was barely heard of. Children could read and write. Britain was strong and healthy, and would be strong and healthy again. Core values and self-discipline.

I noticed, at the theatre, that the good, the great and the pasty spoke and laughed loudly whenever they thought I was watching; but that when I looked away and they thought I wasn't noticing their eyes grew cold and mean and they glared at each other suspiciously.

Yet their faces would light up as soon as the joke was repeated. "Did you hear the one about the single mother of twins who wrote to the council..."? Really extremely odd. More than a little frightening. When John Major first shot through a hole in the ozone

layer and fell to earth, we were extremely happy to see him. Our gratitude knew no bounds. And then the accidents started. Many things went awry. He seemed clumsy and cack-handed. Trouble just sought him out.

So then the mutations started. He even won an election. But the accident rate increased. His days were strictly numbered. Or so it was supposed. But that was just a smokescreen. He was learning on the job. Mutating and transforming himself. Varying the pitch of the tune. Softening or hardening the message.

John Major looks exactly the same today as he did three years ago. The hair, the teeth, the glasses, the fixed and famous smile. He really is agreeable. Only the message varies. But we have even got used to that. His resilience is astonishing. He just keeps bouncing back. It dawned on me this week that there is now no reason on earth why John Major shouldn't win the next election.

I think we have got a problem.

"I don't mind listening to my best friends' problems. Provided they pour me a decent hearing aid."

MONTGOMERY LABOAL,
PSYCHOLOGY PROFESSOR, CALIFORNIA.



INTRODUCE SOME CALIFORNIAN INTO THE CONVERSATION.

E&J
SINGLE CASK MATURED BRANDY.

Handwritten signature or mark.

CAPITAL SPENDING

Dedicated borrower of fashion . . .

Lucia van der Post goes to Paris in search of the elite, elusive haute couture customer

IT MUST be delightful to be Eléonore de Rohan-Chabot. In the lottery that we call life, Eléonore seems to have drawn only winning tickets. The pretty 21-year-old, married to handsome 31-year-old Comte de Rohan-Chabot, already has her own TV show, dresses in the finest clothes that money can buy and yet does not have to pay a penny for them.

For Eléonore is one of an elite group of young French women who have only to lift the telephone to borrow a dress for a special occasion. "All my friends," she tells me breezily, "borrow couture. Les Maisons de Couture like their clothes to be seen out and about on young people." Not all young people, *bien sûr* — only those who are attractive

to look at, well-connected and can take their borrowed clothes to the sort of places and parties where the houses would like them to be seen.

For every couture house in Paris needs more customers, and they need young customers most of all. As the numbers of genuine couture customers diminish, as the life-styles that required couture dresses disappear, all the houses are chasing the same 200 women in the world, all that is left, calculates Catherine Rivière, *Directrice de l'Haute Couture* at Chanel, of that privileged band that once patronised the grand couturiers.

It is a cut-throat business, finding new clients. It cannot be left to chance. Houses peruse the business pages of the serious journals, scour lists

of the richest people in the world and issue flattering invitations to those that are known to have the wherewithal, and could possibly be persuaded to have the inclination, to buy. And, it seems, they send their clothes out and about on the social scene on free loans hoping to catch the eye of the rich and well-connected.

The nature of the haute couture customer has changed over the years. There are, of course, fewer of them. Just a few years ago there were, according to the houses, some 3,000-4,000 customers shared between 20 houses. Where once the grand society woman would probably patronise a single house, buying from it all her serious sartorial needs, today she shops around.

Rivière says that couture customers no longer buy for special events. "Unless it is for a wedding." Couture has had to adapt to suit the changing lives of customers. "Today they travel so much, they need easy places. There are not so many grand parties. Our faithful customers buy between one or two garments a season, an average of five a year, probably three suits and two dresses. Once they get used to haute couture it is like a drug — nothing else will do."

A suit will cost around FF100,000 (£11,600) a dress "without embroideries" around FF80,000, an evening dress anything between FF150,000 and FF300,000. If all that sounds expensive remember that something like 130 hours will go into the making of a jacket, 40 into a skirt and personal fittings are on offer until perfection is achieved. Catherine Rivière, says: "When we get to know them very well and have their *mannequin* then we can do much of the fitting on that."

The couture customer today not only buys from more than one house but she has plenty of *prêt-à-porter* labels in her wardrobe as well.

So who exactly are they — these few hundred women in the world privileged enough to be able to buy the most luxurious clothes in the world?

"Please Chanel," I had said to their London office, "find me a haute couture customer to talk to, a real live example of this vanishing breed."

They found me Eléonore. Exquisitely pretty, blonde, flawless skin, tall, fine-boned. Papa is the Marquis de Galard Terrauze which meant that when it came to her recent marriage she was able to offer the sort of impeccable lineage that makes Almanac de Gotha families feel at home.

Then, of course, the *château* with its *parc*, which has been part of the family fiefdom since the Middle Ages, provided a perfect setting for the celebrations of nuptials which were generally agreed to have constituted the wedding of the year in France. A wedding, which as *Point de Vue* put it, was "forcément grand." *Paris-Match*, *Point de Vue*, *Gala*, (the *Hellol* set of the French press) all went to town, breathless at the deliciousness of it all.

Once a week on her own television show, Eléonore interviews celebrities. And in the time left over from being a TV celebrity, and a fashionable wife, she studies law at Assas university. In due course she intends to become a lawyer.

She is also very, very nice. Not an immodest word passes her lips.

"Tell me Eléonore," I beg, "tell me about these grand parties that these clothes you borrow go to."

Not a whisper. "We mostly go out to restaurants and then I would probably wear something black. I hate mini-skirts as I never know where to put my legs. I like a long dress or pants though I love to bare my neck and shoulders."

"What about the entertaining you do?" I venture. "Surely you have to dress up for that?"

"Well, we live in a very small flat — just two small rooms so we don't entertain very much. I only dress in couture for spe-

cial occasions. My clothes come from all over the place. I often buy *vêtements d'occasion* (secondhand clothing) in Guerisold in the Barbès (an immigrant district renowned for its markets). I often buy coats there though this winter Dior has given me a coat so I don't have to buy one."

Today, for instance, she is wearing black leggings from she can't remember where, her husband's white shirt, a little black waistcoat, "very important to me, waistcoats", a long black cardigan and high heeled boots.

"I mix in three different worlds — one is the world of students, the other is my husband's world the is a financier 10 years older than she is and the other is the world of tv. I need different wardrobes for each of them. For my student life I wear leggings and jeans, cardigans and waistcoats. Now that I am married I can't dress like a little girl. I have to dress more soberly. My husband loves me in haute couture. I have never worked before and now that I have to develop a professional working relationship with my colleagues I have to dress accordingly. For my shows I usually wear designer-label *prêt-à-porter*."

"So," I press her, "would you like to buy haute couture, can you imagine doing it?"

"Oh, yes, it is a dream for me. I like very simple things and *la simplicité ne supporte pas la médiocrité*. The quality of the materials is so beautiful, the work is all done by hand and it makes me feel more beautiful. It is like wearing another skin. I dream one day of buying a very special dress

but for the moment I must keep my feet on the ground."

The habit of couture, the addiction if you like, runs in families. Eléonore's mother was a Dior model who was able to buy Dior clothes at a discount so Eléonore, of course, grew up knowing all about couture (and its discount possibilities). Eléonore loves Chanel and Dior in particular and always goes to their shows.

"There are many imitations of Chanel but they don't compare with the real thing. Chanel has the simple style I love. Givenchy, too, is beautiful but I think it is a little older."

Today in the haute couture salon at Chanel's Paris headquarters in the Rue Cambon, Eléonore is trying on the dress of her dreams. She has a big charity ball to attend at Versailles, at which the Queen of Denmark will be present, and it will be a glittering opportunity to show off the talents of the House of Chanel. Exquisitely simple, as is her taste, it is a feather-light drift of navy-blue chiffon. She will wear it very simply. "I think I am too young to wear huge jewellery and because this dress is very simple and fluid it should look very natural. I will wear it with high heels, my hair very *lâche* and very little make-up."

She does indeed look a picture. Papa, the Marquis de Galard Terrauze, thinks she looks so lovely in it that he decides to buy the dress for her and it is now her very own. No longer will she have to rely on borrowing from the couture houses. Eléonore de Rohan-Chabot finally has become a real haute-couture customer.



Eléonore de Rohan-Chabot in the navy-blue chiffon evening dress from the Chanel haute couture collection



Out in the Tuilleries walking late, a present from her husband, Eléonore wears black leggings, her husband's white shirt, a black waistcoat and a long cardigan found by rummaging through second-hand stalls in the Barbès



Out to lunch with a girl-friend Eléonore wears simple navy-blue trousers and jacket from Madohara, a present from her mother, and over it a red wool jacket with sequins from the Chanel prêt-à-porter collection, £1990. With it she wears Chanel boots and handbag

WHO IS GIÒ?



CONTENTS

Five faces of luxury	Page II
Fine time on your hands	Page IV
The Loughrey-Cash family goes shopping	Page V
Some small objects of desire	Page VII
Devil take the puritans	Page X

gan

edible
ssory: the
chocolate.
ain's most
expensive
vill embed
ple designs
- bitter
pound plus
rsonalised
roduce a
ually made
(£20).

ed.
Associate
line.

CAPITAL SPENDING

Alice Rawsthorn and Ian Rodger profile five of the leading lights in the high-profile world of luxury goods

Arnault proves worth the wait

THERE is almost always an irritating delay before the beginning of any Paris haute couture collection, but the audience at this summer's Christian Lacroix show was forced to wait for even longer than usual.

Eventually a slim figure edged his way to one of the little gilt chairs on the front row. Bernard Arnault had finally arrived and the Lacroix show could start in earnest.

Arnault, 44, is chairman of LVMH, the company behind a string of prestigious products from Hennessy cognac and Christian Dior cosmetics to Christian Lacroix couture. He made his name in the 1980s as one of the bright young entrepreneurs who sprang from the bureaucratic ranks of French industry and is now established as one of the most powerful people in luxury goods.

In the early days Arnault was best known for the ruthlessness with which he fought - and won - the battle for control of LVMH. He then went

BERNARD ARNAULT

on, with his army of accountants, to shake up the business by scrutinising once-sacrosanct expense claims and hiring, or firing, designers. One employee recalled asking him out to lunch only to be told, "But what would we have to talk about?" Others remember, or would rather forget, his constant home telephone calls even on Christmas Day.

These days Arnault stresses the softer side of his nature. His publicists are fond of saying that he always really wanted to be a concert pianist, as if the LVMH chairman had stumbled into the grubby world of business by accident.

But the ruthlessness is still there, as his rivals at Yves Saint-Laurent discovered this summer. YSL has been mired in law suits since the French champagne industry objected to the name of its new fragrance, Champagne. And who runs the biggest champagne business in France? Arnault.



He liked it so much, he wears the company

JOE KANOUI adores luxury goods. "If I were in the nail manufacturing business, I would be rich because I would not buy so many of my products," he says wistfully. "But they are so beautiful!"

It is just as well. Kanoui is chairman of the new Vendôme luxury goods group formed in August by putting together the luxury goods interests of Richemont, the Swiss holding company based on the South African Rupert family's Rothmans tobacco fortune.

The main components of Vendôme are the legendary Cartier jewellery maker, which has been rebuilt in the past two decades by Kanoui himself, and the Dunhill tobacco and leather products company.

Kanoui, a French merchant banker by training, wears and carries goods made by all the group's subsidiaries with enthusiasm, even a Dunhill pillow "now that I am getting older."

He decamped from Paris to Geneva in the late 1980s to set up his own business. He soon found himself faced with the opportunity to reunite the Paris, London and New York outlets of the venerable Louis Cartier jewellery maker, which

JOE KANOUI

were under separate ownership.

It took him and his financial partners, who included the Rupert family, six years to complete the restructuring, establishing a headquarters in Geneva and concentrating the production back in Paris.

He has headed Cartier ever since, broadening its range to leather goods and accessories and enlarging its retail network from 10 to 100 owned shops around the world. Sales last year topped \$700m.

Throughout the 1980s, both Rothmans and Cartier continued to expand their luxury goods lines, adding such well known names as Piaget and Baume & Mercier (watches), Montblanc (pens), Chloé and Karl Lagerfeld (women's fashions) and Hackett and Sulka (men's clothing).

Along the way, Kanoui has evolved something of a theory of luxury goods. He attributes their popularity to "man's basic need to affirm his identity, to distinguish himself from others," and cites the early and strong demand of the Japanese for famous brand goods.

But, one objects, when so many Japanese women carry a Louis Vuitton bag, where is the distinction? "If you make something for all, it no longer has luxury," he replies without hesitation.

"Above all, you must avoid thinking that expensive things are necessarily luxurious. Cartier, for example, is not a luxury good, merely an expensive consumable."

In his view, a genuine luxury product must be instantly recognisable, like a Dunhill lighter or a Montblanc pen, and it must be authentic, rooted in history, like the bejewelled Cartier pendants.

Obviously, luxury goods must be of the highest quality, made to endure. He claims to have a watch his grandfather bought from Louis Cartier himself - and it still works. "I hate throwaway things, like matches," he says.

He recalls Cartier eight years ago making a key case for a Rolls-Royce car owner. It was fashioned in the shape of the car, with diamonds for headlights, rubies for rear lights, and sapphires for door handles. "It probably cost as much as the car, but it will turn up in Sotheby auctions long after the car has disappeared."

From hippy to head man

THESE DAYS Jean-Louis Dumas, chairman of Hermès, looks like one of his company's own best advertisements with his hand-made Hermès ties tucked neatly into immaculately tailored suits.

Things were very different back in the 1960s when Dumas, then a young law graduate, set off with René, his wife, in their battered old Citroën 2CV to follow the hippy trail to Kathmandu. He paid for the trip with the pittance he earned by writing articles for the *Parisien* Times.

Dumas, 55, bears few traces of his hippy youth. He might have inherited his position at Hermès - as one of the 17 great-grandchildren of Emile Hermès, the Parisian tanner who founded the company in 1837 - but he learnt the luxury trade the hard way.

He began with a two-year apprenticeship as an assistant buyer at Bloomingdale's, one of the biggest and brashiest of the New York stores. He left Manhattan for the more rarefied atmosphere of Hermès in 1964 and by 1976 had become chairman and chief executive.

His timing could scarcely have been better. He took over the family company on the eve of the 1980s boom. He masterminded its transformation from its original base, as a Paris leather goods maker, into one of the world's most successful luxury goods groups.

JEAN-LOUIS DUMAS

Dumas expanded Hermès without compromising its reputation for quality. He might have made more money in the short term had he licensed its name to other manufacturers. But he realised that the key to Hermès' long term success was its exclusive air.

He was right. Hermès has weathered the recession better than most of its competitors. It has also emerged unscathed from the swing in consumer tastes away from the excesses of the 1980s, back to the idealistic ethos of Dumas' youth.



Secret behind Chanel's success

ALAIN Wertheimer is one of the richest and most powerful men in the luxury industry, yet almost nothing is known about him. Wertheimer is the sole owner of Chanel, the Paris fashion house founded in Deauville during the First World War by Coco Chanel which is the role model for luxury companies worldwide.

Yet while his peers blow air kisses to their favourite designers from the front rows of the *couture* shows, Wertheimer has done everything he can to ensure that he is left to lead his life - and run his business - in deepest secrecy.

Wertheimer never gives interviews. There is no reference to him in the French *Who's Who*. Chanel (ever so politely) refuses to release any information about its owner. It even pays a special annual fee so that the accounts of its Swiss holding company are free from public scrutiny.

This super-secretive style seems to have done no harm to Wertheimer, nor to Chanel, in the publicity-hungry world of

ALAIN WERTHEIMER

luxury. When he took over Chanel in 1974 its only real asset was Chanel No. 5, which had been one of the world's best-selling perfumes ever since its launch in 1924 when Pierre Wertheimer, Alain's grandfather and one of Coco's admirers, bought the rights to her first fragrance. But the fashion house itself was, as an editor of the era put it, like "Second City" with "one foot in the grave and another on a banana peel".

Wertheimer's solution was to appoint Karl Lagerfeld, the German, as chief designer of Chanel. The theory was that Lagerfeld's collections would bring back Chanel's élan and generate pages of free publicity, allowing Wertheimer to make even more money by selling its scents and accessories.

The theory has paid off. Wertheimer has turned Chanel into a company with sales of around \$500m (£331m) a year - without forfeiting his privacy.



Smooth progress to the top of his trade

NAIM ATTALLAH

THE FIRST time that Naim Attallah walked into Asprey of Bond Street was back in 1971 when he went there to buy a carriage clock for his wife. He fell into conversation with the shop assistant, a young man named John Asprey, who persuaded his father to offer Attallah a job.

Attallah, 61, is now the chief executive of the Asprey group. He is best known as the indulgent owner of the *Literary Review* and of Quartet Books and as a publisher with a penchant for employing blue-blooded gels.

Yet he has been involved with Asprey since the early 1970s, initially as a consultant and latterly as the architect of

its expansion from the original Bond Street gift shop into a fully-fledged luxury goods group. Asprey today includes a string of prestigious businesses, from Mappin & Webb, the silversmith; to Garrard, the crown jeweller; Watches of Switzerland, the watch shops; and a stake in Tomasz Starzewski, designer darling of London's ladies-who-lunch.

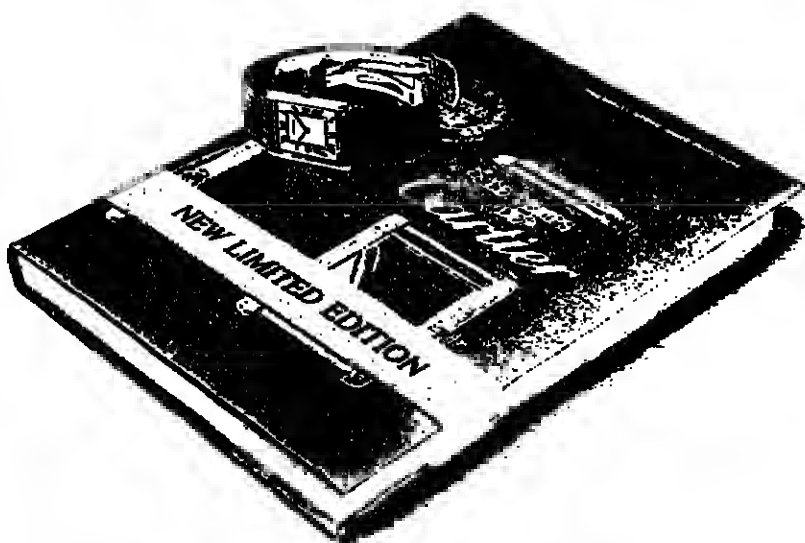
Naim Attallah still prefers to see himself as a patron of the arts, rather than a businessman, but seems to revel in his role at Asprey. His new responsibilities seem to have done nothing to diminish his enthusiastic manner, nor to cramp

his style. He still appears at his office each morning in his customary uniform of odd socks, knuckle-dusting rings, a (very expensive) watch on each wrist and a psychedelic silk tie.

A quick glance at Asprey's accounts justifies his *joie de vivre*. Asprey of Bond Street has always concentrated on the very top of the luxury market by becoming the gift shop for the fabulously wealthy Asian industrialists and Arab aristocrats.

Asprey has been sheltered from the problems that have beset its competitors for years and Naim Attallah, reluctant businessman though he may be, has done deal after deal to take it into yet more areas of the luxury goods business.

A UNIQUE OPPORTUNITY
TO OWN
A SPECIAL PART OF CARTIER'S
LONG AND
FASCINATING HISTORY.



Cartier

CARTIER OFFERS YOU THIS LIMITED EDITION BOOK WITH EACH PURCHASE OF A CARTIER WATCH (EXCLUDING MUST & 21 MO OELS). AVAILABLE UNTIL 31ST DECEMBER 1993. WHILE STOCKS LAST.

Cartier, 175/176 New Bond Street, London W1, Tel: 071 493 6962. 135 Sloane Street, London SW1, Tel: 071 235 9023. The Fine Jewellery Room and The International Room of Luxury at Harrods, Tel: 071 730 1234. Also from selected branches of Watches of Switzerland, Mappin & Webb and leading jewellers throughout the country. For further information on your nearest stockist please call 071 493 6962.

OUR PENS GIVE YOUR
COMPANY AN EXTRA GUARANTEE.
PRESTIGE.



If you would like more information, please telephone our Business Gift Division on: 0582 422793 or Fax: 0582 456097/22941. A.T. Cross (UK) Limited, Concorde House, Concorde Street, Luton. Beds LU2 0JD.

Name _____ Company _____

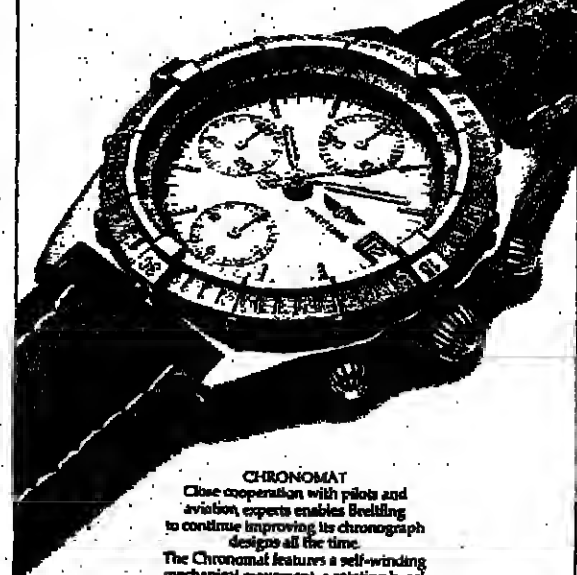
Address _____

Telephone _____

CROSS
SINCE 1846

BREITLING
1884

INSTRUMENTS
FOR PROFESSIONALS



CHRONOMAT
Close cooperation with pilots and aviation experts enables Breitling to continue improving its chronograph designs all the time. The Chronomat features a self-winding mechanical movement, a rotating bezel and a screw-down crown. This instrument is water-resistant down to 100 metres.

AVAILABLE FROM SELECTED JEWELLERS
THROUGHOUT GREAT BRITAIN AND IRELAND.
FOR YOUR NEAREST STOCKIST TELEPHONE 071 637 5167.

Handwritten signature or stamp at the bottom center of the page.

CAPITAL SPENDING



Order of the boot: Rudolf Schneider with his sought-after riding boots

ONE OF the great misconceptions of our time is that the British are no longer any good at making things. Happily, the British remain skilled manufacturers, particularly of top-quality made-to-measure goods.

Across London there are still small craftsmen creating beautifully made luggage, shoes, riding boots and hats.

It is possible, not only to buy top-quality, traditional luggage, but also to commission your own special portmanteau from companies such as Tanner Krolle. "We are one of the few companies in the hand-made leather industry still able to offer a bespoke service. We see each bespoke item as a challenge and take great pride in being able to make our client's dreams come true," says Philip Davis, managing director.

Commissions have included a hand-crafted case to house an old master painting; a made-to-measure compartmentalised suitcase that serves as an office, an overnight bag and, most important, a seat on which to rest in between airline connections; and a jewelry case in leather, tanned specially to a client's wife's favourite shade of blue. The firm's work is distinguished by excellent materials ranging from hridge-hide to ostrich, solid frames in tempered steel and proper brass locks.

The same high standards of craftsmanship are apparent in the work of case maker Simon Baker, a former fashion designer who abandoned the fleeting charms of plastic for the more enduring appeal of leather.

"The British craftsman has always had a vocational attitude to his work, and will go to great lengths to produce the perfect item," says Baker. He says he senses a revival of interest in durable, artisan-produced goods. Baker studied leather construction at Cordwainers College in London and, after a period as a restorer, perfected a method that combines the best of traditional Victorian craft techniques with lighter materials and more contemporary construction. Everything is stitched by hand and lined in leather. His work is hand-made from the most hard-wearing bridle hide he can find. It is especially popular with photographers, who order portfolios



If you want to get ahead get a hat: Patey, of London, specialises in hand made products

Hand made in Britain ... but at a price

Across London craftsmen are still creating top-quality products, says John Morgan

and cases with special compartments to carry equipment. Other commissions include a case that combines the facilities of an attaché case, an overnight bag and a large music case. "If people can draw, I can make it," says Baker, whose prices start at £400.

Britain also produces bespoke shoes. Some of the most beautiful are made by Cleverley in London's Royal Arcade. The shoes are distinguished by a wonderfully elegant chiselled toe and its products have graced the feet of Sir Laurence Olivier, Gary Cooper

and Clark Gable and boast a committed following. "There is absolutely no substitute for a bespoke shoe," says director George Glasgow. The shoes are made the same way today as they were at the turn of the century. Glasgow, and his partner John Carrara, go to enormous lengths to "jiggle the twin imperatives of shape and comfort. A new client is shown around thirty basic styles from which he decides exactly what he wants. His feet are then measured and a last carved. A paper pattern is then cut to fit the last and the shoe is cut out."

A meticulous process follows involving five craftsmen and several fittings before the shoes are completed. Cleverley charges £750 which, although pricey, is considerably less than other better known makers and is excellent value for money.

Also excellent are British-made riding boots. Some of the best are to be found at Schneider Boots in Clifford Street, London W1. Rudolf Schneider is a third generation bootmaker who, as his name suggests, was originally from Germany, but found Anglo-Saxon life so "fascinating" that he settled in England.

He says: "The British make very good craftsmen because they still take their glorious past seriously and feel almost

patriotically-obliged to do a good job."

Schneider's firm makes a vast range of boots of all equestrian types for clients including royalty, the army and several Olympic teams. His bespoke boots are incredibly dashing, are made entirely by hand and fit like a glove. They also have the princely price-tag of £2,000. For less well-lined pockets there is a range of factory made-to-measure styles, from £600, and sets of ready-to-wear models in 11 different fittings for as little as £239.

Made to measure is of course not restricted to leather goods. British hand-made suits and shirts are justly famous, but many might be surprised to know that it is still possible to order bespoke hats.

This steamy craft endures at the Dickensian premises of S Patey. Patey makes top hats, academic mortar boards, riding hats, bowlers and all manner of ceremonial headgear. The hats are made-to-measure using an elaborate machine called a conformator. All the manufacturing processes are done by hand and involve building up shaping layers of shellac-impregnated cotton into elegant headwear that exactly fits and flatters in the way a soft off-the-peg hat never could. Prices start at £125.

Even the smallest sartorial embellishments can be custom-made.

Longmire, in St James's, London, hand-enamels or engraves cufflinks and blazer buttons to order. The firm obligingly claims to be able to depict any subject including a coat-of-arms, family crest and tartan, a pampered pet, a favourite sport, bobby, cat or painting, corporate logo, racing colours and yachting burgees. The workmanship is of a very high standard: a single design can take up to three days to be immortalised in miniature.

Prices start at £1,000.

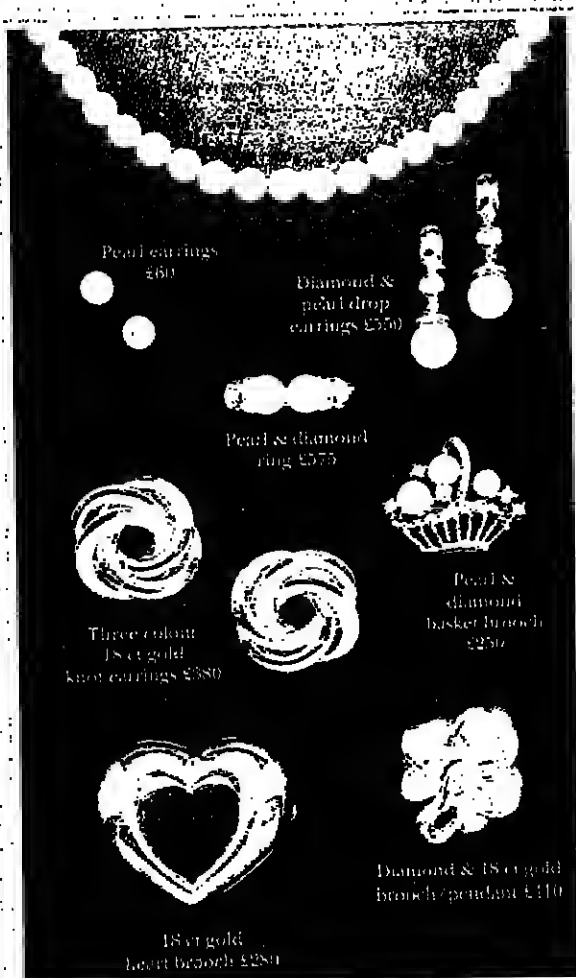
Finally, the edible custom-made accessory: the monogrammed chocolate. Gerard Ronay, Britain's most recherche and expensive chocolate maker, will embed initials or other simple designs on after-dinner hitter chocolates (£22 per pound plus £1 per chocolate personalised) and will even produce a personalised box actually made of chocolate (£20).

Self-indulgence indeed. ■ John Morgan is Associate Editor of CQ Magazine.

LONGCHAMP
PARIS



Sac Opéra



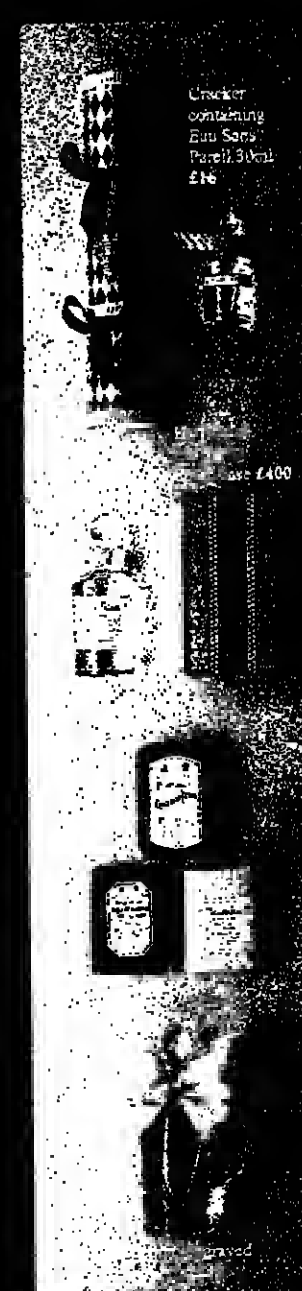
Telephone for a free copy of 1994 Garrard catalogue: 071 411-3031

GARRARD

THE CROWN JEWELLERS
FOR
1843
1908
YEARS

112 Regent Street, London W1A 2JJ Tel 071-734 7020 Fax 071-499 9197
Opening hours: Mon-Fri 9.00 am - 5.30 pm, Sat 9.30 am - 5.00 pm

PENHALIGON'S
LONDON 1870



Christmas

41 Wellington Street, WC2
16 Burlington Arcade, W1
20a Brook Street, W1
8 Royal Exchange, EC3

Mail Order -
Freephone 0800 317332

Global groups win out

Smaller houses are losing their independence, says Alice Rawsthorn

WHEN a rowdy group of grape growers burst into the opulent Intercontinental Hotel in Paris this summer to shout "Thief! Thief!" at the dapper figure of Pierre Bergé, chairman of Yves Saint-Laurent, it looked like little more than yet another outburst from France's stumpy farmers.

Yet the grape growers' protest was only the start of a lobby by the French champagne industry against YSL's decision to call its new fragrance, Champagne. A French court last month ruled against YSL by banning it from using the name in France. YSL is appealing. If it loses again, YSL, which also faces similar cases in Britain and Germany, may face writing off millions of pounds that it has spent on the launch.

The Champagne affair is a blow for YSL and for Elif Sanofi, the French pharmaceutical company that bought it this spring. It also casts a cloud over the rest of the luxury goods industry.

YSL is not the only famous name in luxury to have forfeit its independence this year. This autumn, Maurizio Gucci this autumn lost control of

his family's leather company after a bruising battle with Investcorp, the Arab investment consortium. Dunhill, one of the biggest British businesses in the sector, has been merged into the Vendôme group with Cartier, the French jeweller, by Richemont, their secretive South African parent company. Kenzo, another French fashion house, has sold out to LVMH, the French group which also owns some of the champagne houses now fighting YSL.

Yet other companies have emerged unscathed from the industry's difficulties. Hermès has continued to expand. Asprey has built on its base as an exclusive gift shop on Bond Street, London, by buying a string of jewellers. Jil Sander in Hamburg and Prada in Milan have been building up their fashion businesses.

These companies are all tightly focused operations that have carved

out discreet niches in the luxury market. Hermès' success is rooted in decades of investment in craftsmanship and quality. Asprey has flourished by positioning itself as the gift shop for the 30 or 40 people in the world who are so rich that they have barely noticed the recession. Jil Sander and Prada are both renowned for the understated fashions that have come to the fore in the early 1990s.

But the real winners in the luxury industry this year have been the global groups that emerged in the 1980s. The doyen is LVMH, the French company assembled by Bernard Arnault in a 1980s bid battle, which is a force in fashion, cosmetics and luggage through Christian Dior, Christian Lacroix, Givenchy and Louis Vuitton, as well as the recently acquired Kenzo.

The other contenders are Ven-

dôme, which owns Baume et Mercier and Piaget, the watchmakers, as well as Dunhill and Cartier; investment, which already owned Tiffany, the famous New York jeweller, before taking over Gucci; and, after its recent acquisitions, Asprey. Meanwhile, the beauty market is dominated by France's L'Oréal. Estée Lauder of the US and Elif Sanofi.

Most of the global groups have been affected by the recession. But they also have the advantage of scale: their activities are so broadly-based that they are less vulnerable. LVMH has compensated for losses on Lacroix and its ill-fated fragrance, C'est La Vie!, with the success of Dior's new perfume and Vuitton's *Chiffre* collection.

L'Oréal has been burnt by its investment in the relaunch of Lanvin, the French fashion house. But

Lanvin's losses should be offset by the profits from the record-breaking launch of Glò, the new Giorgio Armani perfume. Cartier's performance has helped Vendôme to counter Dunhill's difficulties in the Japanese market.

These companies, along with the other survivors in the luxury trade, should soon be able to benefit from less difficult competitive conditions as economies edge out of recession. The European market is still under pressure but the US scene is more encouraging. Barney's opened a stylish new store in uptown Manhattan in September and it has got off to a roaring start. Other US stores were busy buyers at last month's Paris and Milan fashion shows.

The growth of the emerging Asian economies - South Korea, Taiwan, and even China - is helping to offset the downturn in Japan. In theory

the whole industry should be helped by the new Asian markets, but in practice it will probably be the larger groups that benefit most. They have the resources to meet the start-up costs. Also, the bigger companies have, so far, been first to take advantage of the luxury market's new-found stability by investing in new product launches.

YSL's dilemma shows just how vulnerable the smaller houses have become. One of the main reasons behind its decision to sell to Elif Sanofi was that, as an independent company, it could no longer afford to compete in an industry where it can cost \$500,000 to stage a fashion show and \$600 for the global launch of a fragrance.

Thanks to Elif Sanofi's support, YSL was able to press ahead with the launch of Champagne, its first new women's scent since Paris in 1973. That support now seems even more important in the light of the Champagne court case. If YSL loses the legal battle, Elif Sanofi would, at least, be big enough to absorb the potential losses, which could have been crippling for YSL in its old guise as an independent company.

My dear, you can smell the money

Josephine Fairley monitors the Loughley-Cash family on a spending spree after a big insurance payout

ARAMINTA Loughley-Cash's mother had always instilled in her that every cloud has a silver lining. "Positively platinum" - in this instance, mused Araminta, fingering the generous insurance cheque intended to replace every last stick of inherited furniture, hideous ancestral portraits and demode jewels which had so recently gone up in smoke.

Luckily, nobody had been hurt (although Lloyd's, it appeared from the number of zeros on the end of cheque, had been somewhat stingy). As it turned out, Araminta and Harry Loughley-Cash had overnight become the envy of their Kensington contemporaries, who rather yearned to throw off their Puffa jackets, chuck out the chintz and have *carte blanche* to reinvent themselves in the fashionably minimalist 1990s.

Araminta planned to begin in Bond Street, with her eldest daughter, 21-year-old Eloise, in tow. They would start, she vowed, with Gucci, where Araminta had her eye on a chic half-moon shaped-Messalina shoulder-bag in butter-soft black suede, before progressing on to Chanel.

Eloise, who usually shared her generation's nonchalance about timekeeping, had grown positively punctual at the prospect of acquiring Chanel's newest status timepiece: the square-faced, quilted-strap *Mademoiselle*. For her son Caspar, Araminta had earmarked Tiffany's stainless-steel strapped *Streamliner* watch, with time zone windows enabling him to work out precisely when to call his globe-trotting friends. But in the time-keeping department, 10-year-old Celeste was easiest (not to mention cheapest): a *Beauty & The Beast* Disney special, which would have her contemporaries in the Lower Third aching with envy.

How grateful Harry had been when Araminta had offered to re-equip their life, and the empty modern Chelsea Harbour apartment they had rented. Personally, after a life

time spent rearranging bicycle wheels, Araminta would have been happy with a Futon Company mattress on the floor, a Baccarat crystal bud vase and a single rose (from Ken Turner), but she quite understood that her family's comfort threshold soared way above her own. Nevertheless, since they were indeed camping for the moment, what better excuse to invest in Hermès "Pippa" campaign wood-and-leather beds for the family, with a portable folding writing desk for Harry? (And so practical, later, for the occasional family safari to the Masai Mara). Who knows, perhaps Harry might finally get round to writing that detective novel he had always dreamed of? So, just in case, she treated her husband to Mont Blanc's limited edition "Agnatha Christie" Meisterstück, with its silver serpent snaking up the shiny black cap.

Of all their losses, Araminta most lamented that of the crisp, creased family abets, but cheered up enormously on discovering that Thomas Goode could have personalised Irish linen replacements for her in a week. She could not resist the aptly-named *Cocoon* bed linen, at Harrods, either; how recklessly extravagant (and a tad impractical) to have an all-silk duvet, but frankly, Araminta had tired of hospital corners.

Harry, meanwhile, had been mainly despondent about his collection of hunting and dog pictures, and that very afternoon had an appointment with Dover Street dealer Richard Green, swiftly followed by Kensington Church Street's Lucy Campbell, to peruse some equine replacements. This, Araminta divined, could prove the source of some communal conflict, since - having trawled Cork Street - she rather fancied a complete change, something large and splashily abstract from Waddington's, or some pencilled nudes from The Fine Art Society in Bond Street.

Not for Harry, then, the total image overhaul Araminta had planned for herself. Wardrobe-



wise, it was to be pyjamas from Saks, socks and boxers from Dunhill and 24 soberly-striped Sea Island cotton shirts from Turnbull & Asser. As usual, she hoped he would like the positively daring paisley ties from Etro that she had picked out. Harry, who knew what he liked and liked what he knew, had wasted no time making a Savile Row appointment with Huntsman for his suits and Gieves & Hawkes for a blazer. Then he had hopped in a cab to Farrow's in Pall Mall for a new fly-rod, picking up a replacement *Barbour* on the way.

"Can't let a little biocup like this get us down," chirped Harry, with the fighting spirit that had first attracted her, over mahjong, a quarter of a century before. All of which reminded Araminta... "New playing cards and bridge scoring books, from Smythson's," she scribbled, on the back of the insurance company's envelope.

Their 18-year-old son Caspar, presently studying for Oxbridge at Harrow and rather more Gatsby-ish than his

father, planned a weekend raid on Gianni Versace and Emporio Armani (with a pit-stop at Cutler & Gross for sunglasses, having lately shocked his schoolmasters with his godfatherish taste in clothes).

He had patiently informed his computer illiterate parents that to replace his precious (now melted) stereo, he simply had to have an Apple Mac Quadra computer with its own CD player. (Araminta was rather relieved to discover that the "turbo-mouse" he'd also specified wouldn't need a cage).

Meanwhile, Eloise, heavily influenced by the Superwalls, was fantasising about her autumn wardrobe, planned to the last detail: brown velvet wide-legged pants from Ralph Lauren, a suede button-through waistcoat from Miu Miu (the "baby alster" line from top Italian accessories empire Prada) and suede high-heeled clog boots by Manolo Blahnik.

At these, Araminta rolled her eyes in despair, although she was considerably more

cheered by the prospect of a splash-printed, cosy velvet scarf from Georgina von Etzdorf and - to complete the Upper Crustie look - a pair of Harry's hippyish rimless Madison glasses.

Araminta consoled herself with the thought that Celeste, her youngest, leaned sartorially more towards the sweetly smocked velvets on offer at The White House and Patrizia Wigan, and was positively pinning for a velvet-collared cashmere overcoat, from Anthea Moore Edge.

Personally, Araminta had always yearned to indulge herself with couture, but had rarely ventured further afield than dear old Jaeger. This, however, seemed an unmissable opportunity to compromise with the clean lines of a made-to-measure suit (or five) from Robinson Valentine, the design duo responsible for Viscountess Linley's charming going-away outfit, currently turing half of Kensington to cross the river to Wandsworth in quest of perfect tailoring in velvet and satin-backed crepe.

shaped cufflinks). This, Araminta mused, sipping a pit-stop cappuccino at The Berkeley, was proving rather a whizz.

When it came to shopping for their new home - so chic to rent, she thought, now that Princess Anne's doing it - Celeste came alone to "help", although it was not long before Araminta gave up struggling to divert her attention away from her Nintendo Gameboy, all the rage in the Lower Third.

To Wedgwood for china - the all-white, basket-effect Nantucket dinner service so refreshingly understated - and Asprey's, for crystal and cut glass. She had a brief pang about the loss of Great Aunt Eglantine's much-loved picnic hamper, but even Celeste got (temporarily) excited enough in Portunum & Mason's to abandon Sonic the Hedgehog and pick out a replacement, complete with a tartan rug the size of Rutland.

Upon returning home to their stark chrome and glass abode in Chelsea, Araminta was relieved to find that Harry, ever the good scout, had assumed control in the luggage department. She was thrilled, though not in the least surprised, to discover two huge Louis Vuitton steamer trunks sitting in the middle of the lined wood floor, exuding the delicious smell of new saddle leather, containing compartments enough for all her purchases and acting as the perfect temporary wardrobe-cum-dining table. Sweetly, and so like dear old-fashioned Harry, he had even set them with sleek silver candlesticks she had bought from Georg Jensen, and laid out an impromptu supper from The Caviar House.

Eloise was out on a date. Celeste snoring lightly on her campaign bed in the bedroom. It all seemed such a blissfully long way from leafy Kensington, and slaving over a hot Aga. Harry looked up. "You look topping, Minty," he beamed. Araminta had a temporary crisis, realising she could never again lie: "Oh, this old thing? I've had it decades." Her husband sniffed at the air. "And what's that wonderful smell?" Araminta smiled enigmatically and whispered to herself: "It's money, Harry. Money." Mummy had been right.

HUNTSMANS

HAND TAILORED READY-TO-WEAR
SPECIAL OFFER
20% DISCOUNT
NOVEMBER 15TH - DECEMBER 3RD

11 SAVILE ROW
071 734 7441



JAGUAR
COLLECTION

See us on your travels.
Heathrow Terminal 3

Waterproof steel watches, for ladies and gentlemen,
with an interchangeable steel bracelet and leather straps, from £1050.



JEWELLER SINCE 1856

BOUCHERON

180, New Bond Street - London W1Y9PD - Tel.: 071 493 0983.

WHERE do you go for a
hand-finished shirt
under £38 these days?
The nearest pillar-box.

You could easily pay twice as much or more in Jermyn Street for a shirt that would look - and feel - no better. Charles Tyrwhitt saves on retail overheads to bring you shirts made from his own
Send today for complimentary
luxurious Egyptian cotton; single-
needle stitched for no puckering;
with split-yoke, brass stiffeners,
pearl buttons and unlimited
guarantee. All for just £37.50. No
wonder his rivals are getting hot
under the collar.

Sailors Court, Camberley, Surrey, GU17 7BR. Tel: 0252 860 940 Fax: 0252 861 677

PLEASE DESPATCH my complimentary brass
collar stiffeners and free catalogue with all speed.

Mr/Ms/Mrs

Address

Postcode

Charles Tyrwhitt Shirts, FREEPOST,
Sailors Court, Camberley, Surrey, GU17 7BR
Tel: 0252 860 940 Fax: 0252 861 677



HACKETT
LONDON

Gentlemen's
Clothing

137-138 SLOANE STREET
LONDON SW1
071-730 3331
FULHAM AND THE CITY

CAPITAL SPENDING

COUNTRY people are a tough lot. Ask them to drive a three-ton horse-box, round up a dozen loose bullocks or help with a difficult lambing and they will volunteer without blinking.

Shopping, and city traffic, is another matter. Most blanch at the very thought. Fortunately, there is no need for soulless pavement-pounding. Country sportsmen have an excellent choice of kit, most of which is available through mail-order.

This is just as well, because those who hunt, shoot or fish need kit - acres of it. Enough to fill tack-rooms, gun-rooms and rod-rooms.

Hand-made riding boots are the ultimate present for anyone horsey but bought from London's West End they cost the equivalent of a half-decent racehorse. Dennis Davies from Gwent will make a hand-made, fitted pair for just £420 (tel: 0495-313045). Alternatively, ring Calcutt's, which specialises in quality second-hand riding kit (0882-70210). The company has a wide range of butcher and top-boots, starting from £120 and £200, as well as red and black hunting coats, breeches and silk toppers for those who hanker to cut a dash at the Boxing Day meet.

A rash of "Colber clobber" followed in the steps of the hit film *Crocodile Dundee*, and the Australian stockman's wax-proof coat has become ubiquitous. Far more stylish are the traditional rubberised fawn riding mackintoshes, £145 from Exeter Saddlers, (0322-71141).

However, for all aspiring Perdiss and Ruperts, nothing can match polo's glamour. A string of polo ponies may be an over-ambitious Christmas gift - unless your beloved is in the Kerry Packer league - but you can start stick-and-balling at the Royal County of Berkshire Polo Club for just £52 for a lesson (0344-890060).

Ask a fisherman why he spends hundreds on his annual Scottish salmon lottery (sorry, holiday) and he will smilingly reply that there is more to fishing than catching fish. What he will not admit is that all fishermen are tackle junkies. Farlow's of Fall Mall (071-839-3423) is their London Mecca, stocking everything from exquisite gold fly-reel cuff links (£150) to monstrous steel reels for 1,000lb marlin (£475). But beware. Rods and reels are highly personal and it is easy to go off.



Calcutt's specialises in quality second-hand riding kit

Gifts for the county set

Jonathan Young's presents for the huntin', shootin', fishin' fraternity

Orvis UK (0264-781212) stocks an intriguing selection of fishing accessories, from soft leather salmon fly wallets (£18) to a leaded staghorn priest for administering the last rites (£12). Their clothing range is equally extensive, with a set of silk longjohns and vest at £56. More peculiar, but fun, are the "Wet Gun Dog" after-shave (£12.50) and the magnificent Cracker Throwing (which propels two Ritz crackers at amazing speeds, providing a fabu-

lous challenge for even the best shot" (£18).

It is hard to find many other cheaper items for keen shots. Shooting kit is restricted, but expensive. Those who are still smarting after Lloyd's insurance losses might jib at the £20,000 to £35,000 now asked for a Purdey or Holland & Holland shotgun, though they are the best that money can buy.

For those who were in a bad syndicate the hand-knitted shooting stockings with the

knitted legend "Damn Lloyd's" might bring some comfort at £27.50, from Almost Unwear-outable Socks, 04346-32283. A similar pair, emblazoned "Bang! Bang!" on one leg and "Bugsy!" on the other, might persuade the recipient to seek a series of shooting lessons. Holland & Holland and the Royal Berkshire run courses of six one-hour lessons for £275 and £250 respectively.

It is generally bad form to look anything other than drab

at a shoot, the only exception being the hat. The old school still swear by Lock's, though there is strong minority following for Herbert Johnson's and Bates, all of St James's, London. Whichever is favoured, always buy one two sizes too large - it will fit perfectly after the first downpour.

Hats for women are more tricky. Unless you want to look like a stable lad ignore caps and buy a proper weather-proof hat which is warm and, most important, keeps your face covered. (A beaming visage has ruined more grouse drives than the average eagle.) Lock's has brought out a new ladies' range which the company will trim with feathers from your own pheasant (£100). These are gorgeous enough for Ascot but pretty bright for the field. Stylish and more subdued are the ladies' deerstalkers from the Asprey Gun Room (£39, 071-453 6167).

The once-ubiquitous wax-proof coat is still popular, but being rapidly replaced in all country sports by the new generation of Gore-Tex and Gore-Tex jackets. Warm, waterproof and breaking, this new generation of outdoor coats include the no-nonsense Barbour Ventile (£295) and Musto Highland (£270). Both will survive practically anything - even massed labradors in the shoot trailer - and are machine-washable.

The real hit in the shooting world, however, is the new generation of Gore-Tex-lined tweed shooting jackets. Walker Norton & Sons of Savile Row produces a splendid affair for £495 off the peg or £680 bespoke (071-437 0839).

If you cannot travel to London, Charles Gale will measure you at home or at the office; his bespoke waterproof tweed jacket, cuffs trimmed with leather, is £395 (0329-237693).

All country people are obsessed with boots. Green wellies are an endangered species, except on Fulham Road. Real credibility is conveyed by black, steel-toed milking-parlour gum boots, preferably composed from different pairs. Far warmer, though, are the leather-lined Chameau gum boots, which are seen on all the best ploughs, even though they cost £107 a pair. The High Church old school eschews even these and sticks to iron-shod hill shoes from Hogg's of Fife (0337-860202) - just £80, but you could expect them to survive you.

No matter how wrapped up, clothing alone will not warm the inner spirit. William Powell (021-643 0589) stocks a prodigious array of hipflasks. The 3oz stainless steel flask is excellent value at £15.95 but for the steadfast sloe-ginners the 15oz solid silver version is a must (£835). Powell also sells sets of four nesting stainless beakers, in a leather case, for £21.95.

Sporting households tend to be manic, only gathering for Christmas Day, the one occasion in the year when no one hunts, shoots or fishes. On Boxing Day they will scatter, but hopefully carrying something lasting to remember you by - other than a hangover. Jonathan Young is editor of *The Field*.

Simplicity: the stamp of modern opulence

Alice Rawsthorn considers the aesthetic of three chic new designers

THE sumptuous 16th century square of Place Vendôme is the historic heart of the Paris luxury trade. It is here that Madonna parks her white stretch limousine when she checks into the Ritz and where Arab princes slip into Boucheron to buy baubles for their mistresses.

A glance through the arched entrance to 15 Place Vendôme reveals a different brand of luxury. An old stable in the courtyard has been turned into a modern building with white walls and an industrial floor to house the European headquarters of Comme des Garçons, the fashion and furniture business owned by Rei Kawakubo, doyenne of avant garde design. Kawakubo's designs conform to the conventional definition of luxury by being made from the very best materials, finished to the highest specifications and sold at achingly expensive prices. Yet where most luxurious products are steeped in nostalgia, her work, like that of other modernist designers such as Jasper Morrison and Marc Newson, is contemporary in terms of how it looks and the way it is made.

Nostalgia looms large in the luxury trade as do other septimist terms such as "tradition" and "authenticity". Most luxury companies are at pains to remind clients that they have been around for centuries. Anyone who buys an Hermès silk scarf or a piece of Louis Vuitton luggage is made aware that it carries the legacy of years of craftsmanship and an aura of privilege.

The horses trotting across an Hermès scarf reassure the consumer that, by spending £135 on a silk square, they are tapping into a tradition dating back to 1837 when Emile Hermès made saddles for the swankiest stables in Paris. The traveller splurging £13,850 on a Stokowski trunk from Vuitton knows that it has been made by hand in virtually the same way as when Leopold Stokowski, the conductor, ordered the original 50 years ago.

The affluent shoppers at Hermès and Vuitton are the 1990s counterparts of the *nouveaux riches* 19th century industrialists - described by Corelli Barnett, the historian - who celebrated their new found wealth by copying the lifestyles of the landed gentry. Part of the attraction of an Hermès scarf or Vuitton bag is that they are instantly identifiable as expensive because of their association with an aristocratic past.

Modern luxury has the appeal of being unequivocally rooted in the present. Prada bags, made from fabric developed for the aerospace industry, have a clean, contempo-

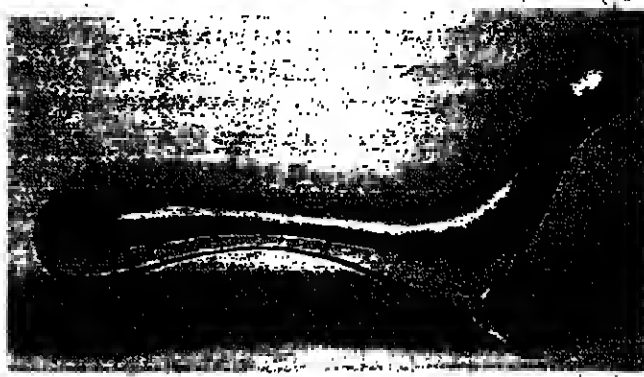
rary look that could only come from the latest technology. The Pleats Please collection of intricately pleated silks developed by a Japanese laboratory for Issey Miyake also have a modern air.

Other designers achieve a contemporary effect through the aesthetics of their work. The Lockheed Lounge, designed by Marc Newson, an Australian working in Paris, is an abstract slither of shiny aluminium which was originally inspired by a 19th century *chaise longue*. The Lockheed Lounge has the same opulent shape as the original *chaise* and, having been made in a limited edition of 10, a similar whiff of exclusiveness.

There the resemblance ends. The Lockheed Lounge is unmistakably modern in style: so much so that Madonna ordered one for her Rain video. But it is made by hand through a laborious process of hammering aluminium panels on to a

The result is a collection of subtle objects. The first aid box by Thomas Eriksson is made of lacquered steel in the shape of a red cross. Andreas Brandolini has designed a cunning set of library steps that doubles as a book basket. Each product is meticulously made and extremely expensive: £260.85 for the first aid box and £434.28 for the steps. Yet Progetto Oggetto also marks a new departure for the luxury industry by devising thoughtfully designed, highly priced products that are practical, rather than decorative.

Comme des Garçons' version of modern opulence has the same iconoclastic stamp. The recurrent themes in Rei Kawakubo's designs are minimal styling and technological innovation. The discoloured dresses in her current collection are typical. They are made from patchworks of faded paisley fabric from which the dye has been extracted, sometimes



Lockheed lounge by Marc Newson

mould. Marc Newson is now working on a sleeker, streamlined series of aluminium furniture, the Event Horizon table and Orgone chair, which are also hand-made by a special technique first used to make Aston Martin sports cars. "I liked the idea of making something by hand that was so complex it looked as though it must have been manufactured by machine," he says.

Whereas Newson's furniture is unashamedly luxurious, the Progetto Oggetto range of household objects belongs to the restrained school of modern design. Progetto Oggetto is a collection of everyday products - everything from a first aid box, to clothes hangers and ash trays - commissioned from contemporary designers by Cappellini, the Italian furniture company.

The aim of the range, according to Jasper Morrison, the London-based, furniture designer who helped compile it, was that the designers should "reinterpret forgotten products" - and that their designs should have "a rational quality so that the function is obvious".

so strongly that the original pattern is little more than a smudge.

The ethereal glow is the result of the latest textile technology. Kawakubo, who for years has worked mainly in black, says that she wanted to create a completely new colour. Harumi Matsushita, the Japanese textile technologist with whom she has worked throughout her career, developed a special process to remove dye without damaging the fabric.

The discoloured dresses, with their faded fabric and ragged edges, could scarcely look less like conventional status symbols. Crumpled or not, there is a market for Rei Kawakubo's vision of modern opulence. Her dresses went on sale earlier this autumn at the Comme des Garçons shop in London and sold out.

■ Marc Newson, 13 rue Saint-Joseph, 75002 Paris. Tel: 331-4508-4743.

■ Progetto Oggetto from SCP, 135-139 Curran Road, London EC2. Tel: 071-729-1869.

■ Comme des Garçons, 59 Brook Street, London W1. Tel: 071-492-1252.

"Chocs on plush" silk neck scarf.
155 New Bond Street, London W1Y 9PA.
071-499 8856.
179 Sloane Street, London SW1X 9DP.
071-823 1014.
3 Royal Exchange, London EC3V 3LL.
071-626 7794.
Harrods, Knightsbridge, London SW1X 7XL.
071-225 5776.

HERMÈS PARIS



IB 1735
BLANCPAIN



The ultra-slim watch

SINCE 1735 THERE HAS
NEVER BEEN A QUARTZ BLANCPAIN WATCH.
AND THERE NEVER WILL BE.

Carley and Clemence,
23 Grosvenor Street, London W1X 9FG
Tel. 071-416 4160 Fax: 071 416 4161

Courtenay

Lingerie

22 Brook Street
London W1Y 1AE
Telephone 071-629 0542



PERLA

Please
Send For
Christmas
Catalogue

CAPITAL SPENDING

Not so obscure objects of desire

There are some products which command a loyalty, a reverence which is out of all proportion to their usefulness. These are the ones that somewhere along the line have achieved cult status, that are recognised from Kuala Lumpur to Fifth Avenue, from San Francisco to Tokyo. Each has something to offer which is above and beyond any rational assessment of their worth. Here FT writers analyse the perennial appeal of just a few of them

REAL CULT objects can be identified by their stamina. Not for them the sudden onset of instant fame and then the humiliating relegation to the dusty back shelves. They have staying power. These are the names and the labels that can be spotted across a crowded room, that draw their owners into a sense of kinship with each other; thus, the Gucci loafer.

Ever since it was introduced in 1950 the distinctive loafer with the snaffle on the front has been snapped up by modish dressers, by Sloane Rangers, by Vogueettes, and by those who simply love a really comfortable shoe. All through the 1980s it sold as if it were one of life's great essentials. Even in the nightmare years when the Gucci logo became so devalued that its sales figures went into free fall the loafer sailed serenely on.

For, as with all objects that leap from mere success to cult object, behind the hype there lay genuine quality. Anybody who has ever slipped on one of those soft, featherlight moccasins recognises that here



is the perfect all-purpose luxury shoe. It looks good with anything from Levis to sleek grey flannels or a pinstripe suit.

Even Dawn Mello, called in by Gucci to restore its tarnished name, felt little need to tamper with the loafer. Handbags were scaled up and down, gilded or taken off everything from belts to luggage, but she made sure that the classic loafer was still available in all its original simplicity. She brought back

A CLUBBABLE man regards his tie as a badge of recognition and exclusiveness but there is one club that remains exclusive even though anyone can join. This is the fraternity of Hermes tie wearers. The phrase "it takes one to know one" might have been invented for the owner of this sumptuous and ultimately frivolous strip of silk. In spite of the company's huge repertoire of designs and the plethora of similar ties from lesser competitors, the Hermes wearer always says he can instantly tell another from the same stable.

What he really means is that he is able to spot another individual who can justify spending a minimum of £59 on a piece of neckwear. But he will wax lyrical about the wit of the designs, the depth of colour and quality of silk, which sets the Hermes tie above its peers.

Most ties have about four colours; the Hermes tie contains up to eight, and far more on scarf-print designs which correspondingly cost £78. Each shade must be printed on a separate screen. Finishing is done by hand, stitched with one unbroken thread of special quality silk to allow maximum strength and flexibility for the man

who likes to pull his knot tight. Turning and pressing is a skilled job so the tie lies perfectly flat; a twist fails quality control.

Ask Hermes owners what it is that makes their ties so special and the surprising answer is the confidence they give. Andrew Wiles, press and public relations director at Harrods, could choose from 60 other brands in the store but picks Hermes. "I bought my first one - a scarf-print - in the 1980s because it was so different from anything else then available. There had been nothing like it since kipper ties but this was so much more tasteful."

Avril Groom

hand-stitching, insisted on quality, toned down the gilt of the snaffle but the basic moccasin has changed little. The loafer comes in soft novocall, black, dark brown or lacine (tan to you). It costs £195 for the men's version, at £170 for women. Those who are prepared to shell out for it say it is worth every penny. Those who cannot are busy buying up the copies that are to be found in every high street.

Lucia van der Post

THE Hermes Kelly bag was, well, just another bag until the day in 1956 when Grace Kelly, the Hollywood movie star who had just become a Crown Princess of Monaco, appeared on the cover of Life magazine with her handbag placed firmly over her stomach to hide her pregnancy.

Hermes received so many orders that it rechristened the bag the Kelly, in honour of its royal patron. The Kelly has been a classic ever since. Year after year thousands of women spend anything from £1,500 for a basic bag, to £39,000 for a Kelly with a few little extras, such as a solid gold and



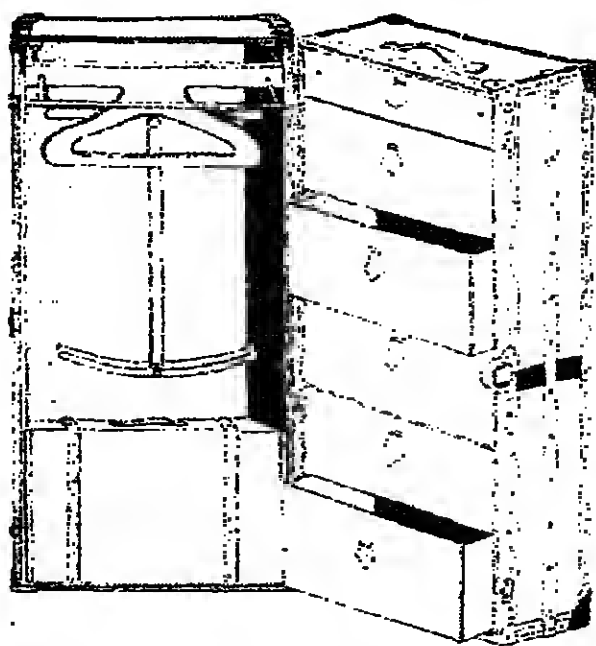
diamond encrusted clasp. Why, oh why, do they do it?

To its devotees the Kelly is much more than just any old status symbol: it is a compelling combination of style and substance. Everything about the Kelly says that it is elegant and expensive but also practical. A dinky little Chanel bag might be fine for the babes who only need a couple of charge cards and a change of make-up to get them through the day. But the Kelly is a bag for the woman of purpose: big enough to cram in A4 papers and bulky enough to thwart any mugger.

The Kelly has its roots in the 1890s when Emile Hermes designed a daintier version of one of his best-selling saddle bags. The Kelly of today is the product of 15 to 20 hours of handwork by the craftsmen at Hermes' headquarters in Paris.

Princess Caroline, once the bump that her mother covered with a Hermes handbag, now carries a Kelly of her own.

Alice Rawsthorn



NOBODY buys a Louis Vuitton steamer trunk for sensible reasons. If all you are looking for is something to keep your belongings safe and dry, then there are a hundred cheaper, less exalted solutions. No, those who buy a steamer trunk are after more than a practical solution to luggage dilemmas: they are yearning for the golden age of the travelling classes, the years of the transatlantic steamers and the early days of motoring, when travellers were embarking on feats of derring-do.

With your steamer trunk you, too, could be heading for Arabian deserts or the African bush, for with the trunk comes the invisible aura of all those long-gone travellers who would never have set off without one - the Empress Eugénie with her voluminous crinolines (they emerged without the faintest crease) and the Congo explorer Savorgnan de Brazza for whom Vuitton

made a trunk that opened into a bed.

The steamer trunk was introduced in 1858 when Louis Vuitton saw the way travel was heading. Stage-coaches were doomed. Steamers and railways were the coming thing. Instead of the dome-shaped, cumbersome trunks so appropriate for stage-coaches, flat-topped trunks that could be stacked on top of each other would be much more practical.

They are still made by hand. Each takes up to 60 hours; the inside is lined with padded cotton; craftsmen tap in the nails one by one; and all have a five-lever pick-proof brass lock invented by Vuitton in 1896. Today, even at between £4,200 and £13,000 a time they are as sought-after as ever. They don't always find their way on to aeroplanes or trains but sit happily at home, chic repositories of books and drinks - and dreams.

Lucia van der Post

WATCHES come in all shades of geometry - round, oval, square, oblong, even the Dali-esque squashed ellipse of the Cartier "crash" watch. Yet at the 250-year-old company of Blancpain, watches have always been round.

The shape is the most obvious statement of Blancpain's claim to be perhaps the most traditional of all the great Swiss watch makers. Its timepieces are also always mechanical. "Quartz" is a word never heard at their workshop in the Jura mountains.

All this makes a Blancpain essential for the self-assured businessman who abhors designer labels but whose discreet brand of anonymity marks him out as surely as a screaming logo.

But even the greatest traditionalist must reconcile himself to modern technology in the interest of accuracy. Even Blancpain's



longest-serving craftsmen acquaint themselves with the latest methods and materials. A small factory makes, from the most high-tech materials, components for what passes at Blancpain as a mass-produced model - although even this is

hand-assembled.

This watch, costing more than £2,000, makes up most of the tiny annual output of 7,000 watches a year, but it is the company's recent mould-breaking horological masterpieces that have established its reputation and attracted clients such as former King Constantine of Greece.

Blancpain's latest venture may seem out of character but it allies craft and tradition to a clever marketing ploy. The company has revived the lost art of the erotic watch. An erotic design is engraved or enamelled, with the mechanics for the - er - moving parts housed in the slim case with the watch movement.

All this activity takes place on the watch's reverse. The face it presents to the world is Blancpain's usual discreet roundel.

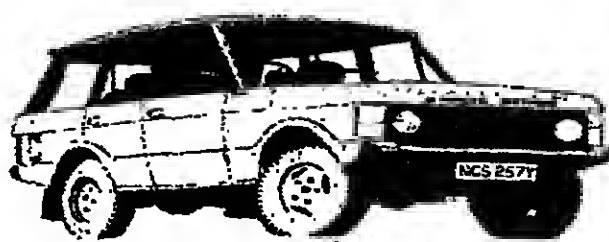
Avril Groom

Drawings: Ashley Lloyd

horses set rode to the rescue. Accustomed to hauling hunters behind primitive Land Rovers, they eyed the Range Rover approvingly. With a big V8 engine and full-time four-wheel drive it was perfect for towing a two-horse trailer on the road to meets or across fields at point-to-points.

Then a new kind of customer appeared. They did not own chunks of Wiltshire, but hoped to give the impression that they did. Reluctantly at first Land Rover offered them Range Rovers with power steering, four doors instead of only two, automatic transmission and diesel engines. Out went plastic seats and rubber mats; in came Connolly hide and Wilton carpet. Land Rover concedes that at least nine Range Rover owners in 10 never dirty the tyres by driving off tarmac, and that the severest obstacle most climb is a high curb outside a Chelsea restaurant.

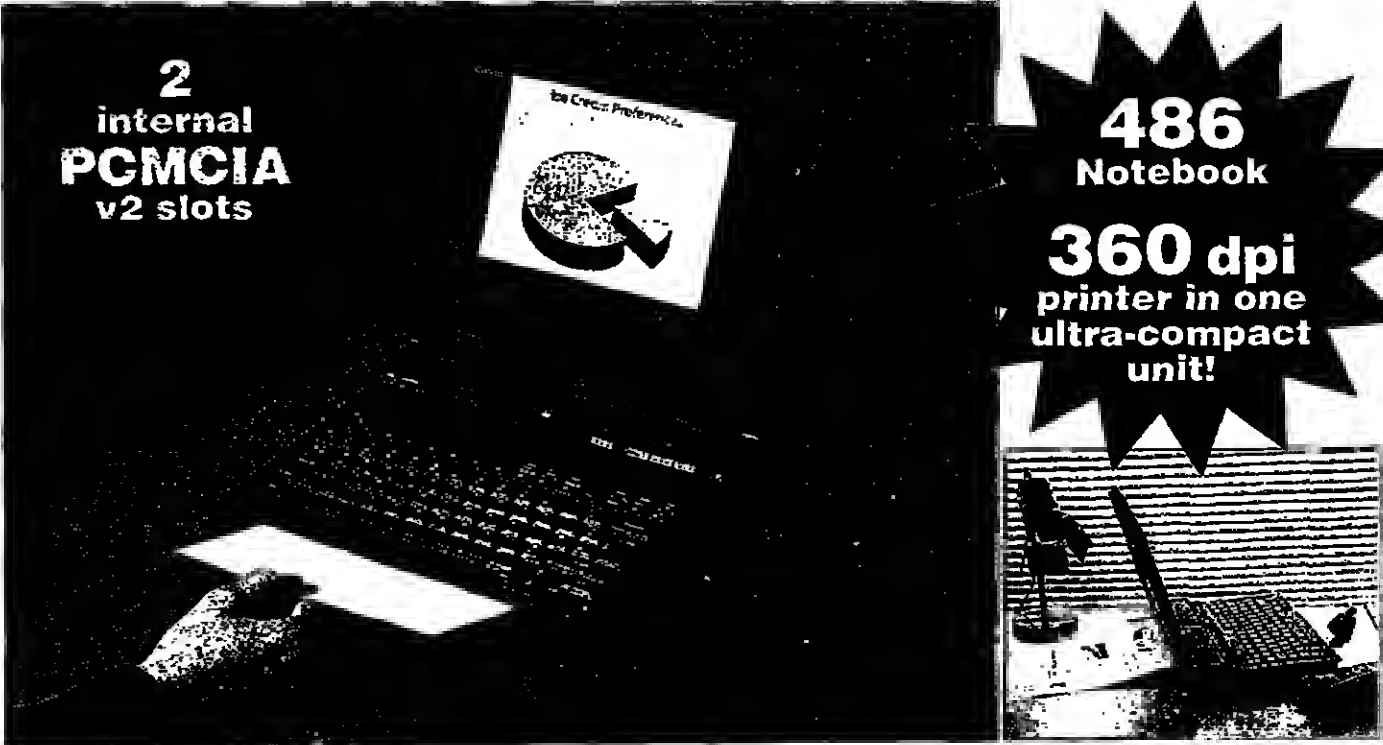
Stuart Marshall



GULTRONICS

POSSIBLY THE WORLD'S LARGEST PORTABLE COMPUTER SUPPLIER

GULTRONICS ADDS A NEW DIMENSION WITH THE NEW CANON BN22 THE WORLD'S FIRST NOTEBOOK COMPUTER/BJ PRINTER



The new Canon BJ Notebook: twice as convenient for your business trips! Put the Canon BN22 Notebook/Printer in your briefcase and you're ready for business. Complete your work and just "Print & Go". Connectivity ready too with 2 internal PCMCIA v2 slots. No messy cables to connect, carry or forget! The Canon BN22 with powerful 486 computing power and high quality printer weighing just 3.5 kg. Seeing is believing!

- 486slc 25Mhz processor • Hard disk options 85/135 or 180MB • 4MB RAM standard expandable to 12MB •
- 2 PCMCIA Slots v2 • Internal 3.5" 1.44MB floppy drive • 2 button trackball mouse •
- Fast 360 dpi high resolution printer • Mono VGA Backlit Display •
- Free software: MS DOS 5.0, Windows 3.1 and BJ Printerworks to boot • Weighs only 3.5 kg •

GOVERNMENT, EDUCATIONAL, CORPORATE, MAIL ORDER ENQUIRIES:
217-218 Tottenham Court Road, London W1P 9AF.
Tel: 071-436 3131, Fax: 071-636 1075.
SHOWROOMS & BRANCHES:
223 Tottenham Court Road, London W1
15 Tottenham Court Road, London W1
43 Church Street, Croydon, Surrey.

PHONE NOW FOR DETAILS & BEST PRICE!

071-436 3131 OR 071-323 4612
Fax: 071-636 1075

REMEMBER GULTRONICS "WILL NOT BE BEATEN" PRICE POLICY (Ask for details)

GULTRONICS

25 years of successful trading (1968-1993)!

Please tick off ☐ Please call me ☐ Please rush me details of the new Canon BN22
How many employees in your company? ☐ 1-10 ☐ 11-50 ☐ 51+
Do you use a notebook? ☐ Yes ☐ No If yes, what make?

NAME _____
POSITION _____ COMPANY _____
ADDRESS _____
POSTCODE _____ TEL _____
RETURN TO: GULTRONICS 217/218 TOTTENHAM COURT ROAD, LONDON W1P 9AF.

BOODLES KNIGHTSBRIDGE, NOW BOODLES REGENT STREET TOO



Boodle and Dunthorne have expanded to Regent Street with a beautiful new larger showroom. We look forward to your visit this Christmas when we can show you our many exclusive collections of fine jewellery.



ESTABLISHED 1798
BOODLE & DUNTHORNE
Jewellers
128-130 Regent Street London
071-437 5050
Knightsbridge, Chester, Liverpool, Manchester.

NORTON TOWNSEND



Made-to-Measure Service whenever it suits you
• All wool hand cut and finished made-to-measure suits from £275.
• Whitehallers in the office we offer a superb selection of styles, colours and fabrics (quality and country).
• Have one of our trained measures take the strain out of buying a new suit.
Contact your nearest travelling tailor for a brochure or an appointment at: London, Knightsbridge, 071-735 4701; Soho, 071-735 4701; Manchester, 0161-275 2323; Newcastle, 0191-260 0881; North Elm, North West Essex, 0206 281 2815; Glasgow, 011 281 2815.

CAPITAL SPENDING

Follow your heart when you buy diamonds

Buy jewels because you want to wear them, not as an investment, and do not be afraid to ask questions, advises Vivienne Becker

A FINE jewel, precious, personal and romantic is likely to be one of the most emotional purchases of your life. Any advice that is purely hard-headed and practical would be a mistake: it may seem simplistic, but buying what you like most, not what you think you should like or what may be a good investment, is most likely to guarantee a "good buy".

Part of the problem with buying precious jewellery, as opposed to say couture dresses or cars, is the dreaded investment element.

To avoid disappointment, give up any thoughts of reselling on at a profit, at least for 100 years or so. On the whole, modern jewellery simply does not hold or increase its value, unless perhaps it is a particularly rare or unique precious stone. Buy for beauty, for indulgence, and buy the best quality you can afford.

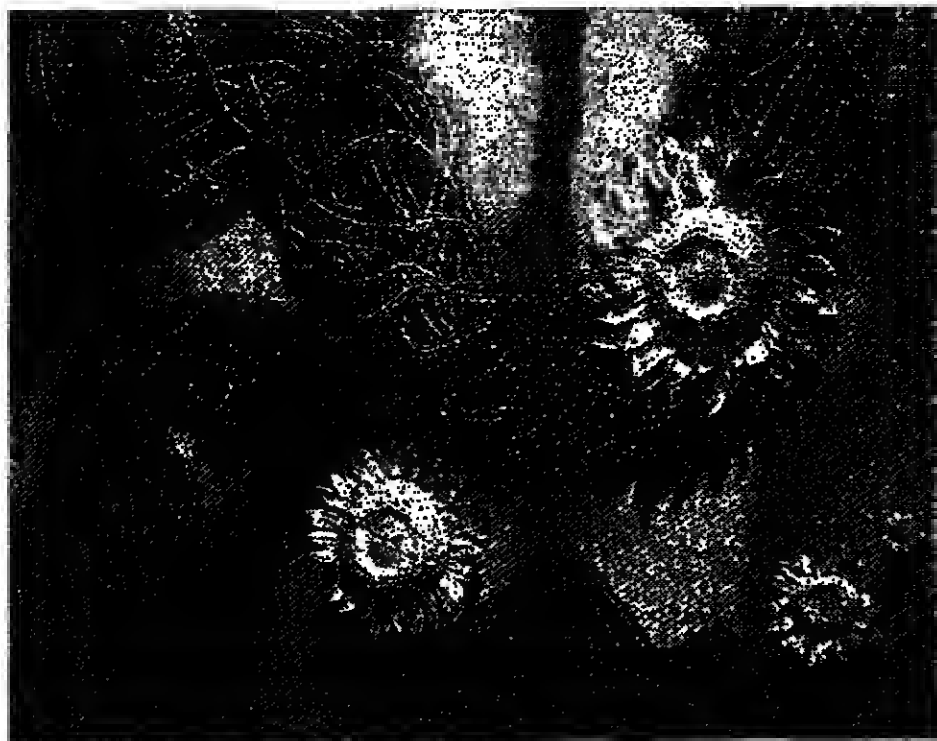
A little knowledge may be a dangerous thing, but many jewellers like customers to ask questions. They like giving information so that prospective buyers will know quality when they see it.

David Morris of Conduit Street likes to explain everything to his clients. Today's buyers, he finds, are more aware and selective. Tiffany, famous but informal, prides itself on its commitment to the customer, and hands out booklets on *How to Buy a Diamond* and *How to Buy a Pearl*.

The chief decision for the buyer lies between whether to go to a retailer or an individual designer jeweller.

The safest route is to put yourself in the hands of professionals by going to a reputable, long-established retailer of fine jewels, who would not risk a hard-earned reputation by selling dubious goods and who will provide a good after-sales service.

Daniel Reveyron of Bouché



Honey-coloured citrine (£8,400) and lime green peridot (£2,855) beaded necklaces from Asprey's

eron in London has worked at the top end of the trade for 15 years and says that he cannot remember any genuine complaints about authenticity in the London trade. Long established companies survive for good reasons: a good name is not a licence to print money, it has to be earned.

A reputable retailer can be either your local jeweller, with an individual, up-to-date approach, selling the work of several different makers; an international independent such as David Morris; a single designer shop, such as Lalacouns or Elizabeth Gage or one of the international jewel houses such as Cartier, Bouché, Bulgari.

At the sky-high end of the market, the new House of Graff in Bond Street is unique: the home of the world's rarest and most beautiful gemstones,

woven into story book jewels for an elite clientele. It is as well to look carefully at as much jewellery as you can. (Harrods Fine Jewellery Room has many jewellers under one roof), find a salesperson you trust, try things on and ask as many questions as you like before making your choice.

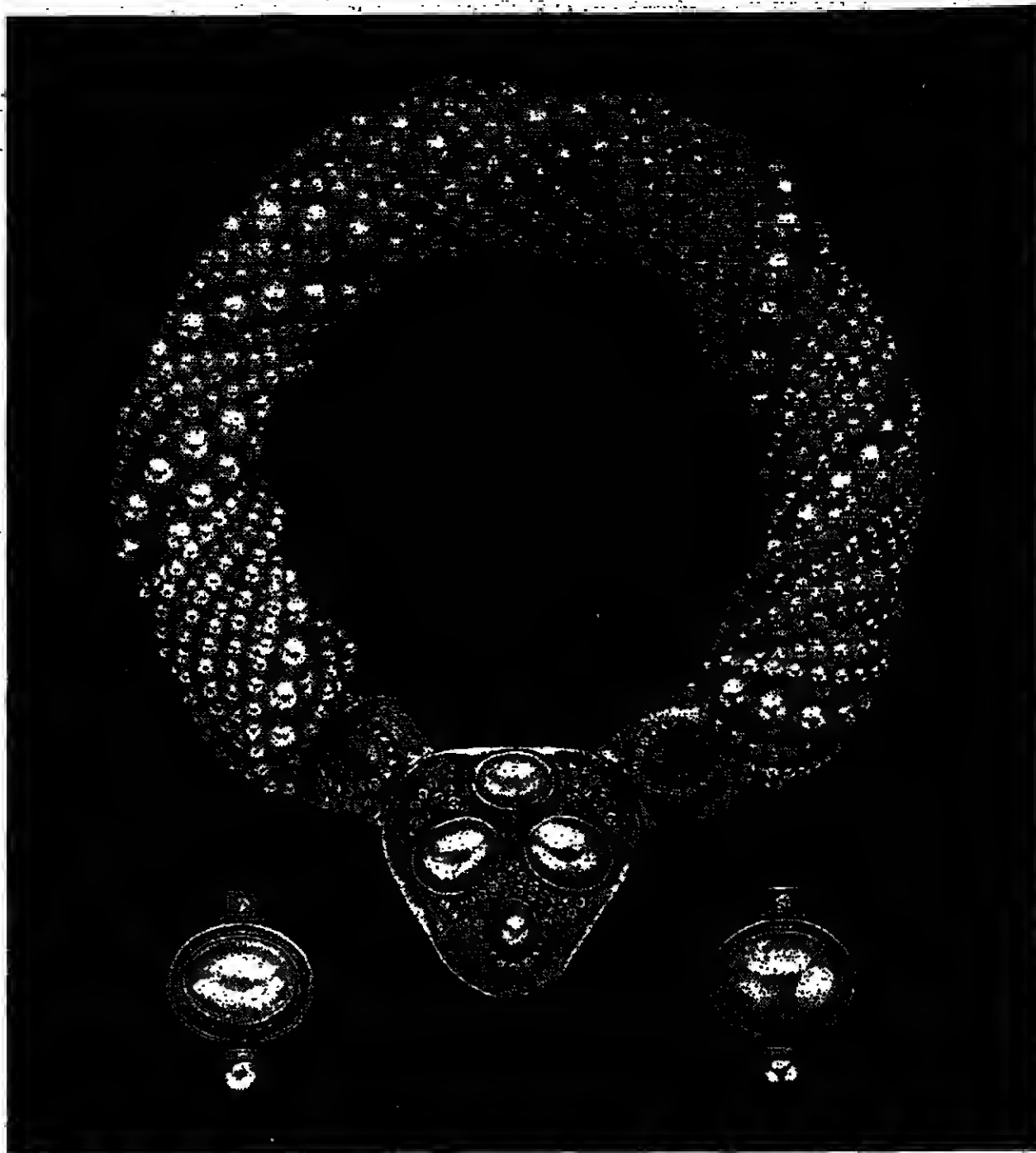
Consider carefully exactly which jewels suit your tastes, your budget, your clothes and lifestyle. Do you prefer all gold, mat or shiny, or gemstones, cabochons, deep and rich, or light, bright and sparkling? Reveyron finds that men buying jewellery for women often seldom think deeply enough about matching the jewellery to the woman they have in mind. If they have the cash it is almost ridicu-

lously easy to buy.

Alongside the formal gem-laden high jewellery, all jewellers offer more fashionable, wearable ranges and often an even more casual, less expensive boutique range. Bulgari, aiming at a younger market, has recently launched a superbly scaled down versatile and affordable collection which starts at around £500.

Tiffany, the last intimidating jeweller in Bond Street, is an excellent place to look and learn, with the widest possible choice of fine jewels by different designers from Peretti to Schlumberger, from under £100 to hundreds of thousands of pounds.

The other alternative is to search out an individual designer-jeweller whose work you admire. Tracking them down is usually done by word of mouth, although the World



Gold, diamonds and pearl torse, £21,150; gold Valske ear-rings with pearls and diamonds, £3,250 from Elizabeth Gage, 20 Albemarle Street, London

Gold Council advises and direct customers with a specific brief.

Most designers will happily weave their own style and skills around your ideas and themes, but be sure to see and understand a good working drawing before giving the final go ahead for the work. Since individuality and versatility are the keynotes of the fine jewellery market today, more retailers, such as Asprey and Boodle and Dunthorne, are offering the work of named designers such as Leo de Vyrounen, who creates classics in rich colours and enamels. It is not a good idea to try to buy your gemstones separately. Most gemstone dealers

deal exclusively with the trade. Do not trust any "bargains" offered on exotic holidays.

The exception to this basic rule may be buying gems at auction which is becoming more and more popular. It is of course a case of buyer beware, but there are experts and gemmologists at hand to advise and direct and any expensive gem will have been tested and certified by a gem laboratory. The stone could then be taken to a favourite jeweller to be incorporated into a design of your choice. This is also a good idea for any gemstone that you already own, perhaps set in a family jewel or in a tired, outdated piece. Most retailers provide a design ser-

vice and prices for special commissions are not necessarily higher, although of course a one-off hand-made jewel will always cost more than a semi-mass-produced line.

Jewel fashions tend to move slowly. There is a definite trend away from blatantly cash-flashing jewels to quieter, more personal ornaments with an emphasis on good design and the art of the jeweller. Opulent fantasy is making a come-back: look at the vivacious Verdura works of art or the exciting René Boivin collection at Garrard. Colour and more colour is the essence of design today: at the top end of the market coloured diamonds, especially the ravishing pink

Argyle diamonds from Australia, have become a popular trend. Lower down the price scale all sorts of semi-precious stones, once looked down upon, are opening up wonderful design possibilities: there is a huge vogue for tanzanites, iolites, rubellites, citrines, tourmalines, amethysts and even amber.

The fine jewellery market has responded to the recession and the growing popularity of costume jewellery with renewed creativity. It is slowly de-mystifying, conscious of providing value and service for a new, canny clientele and yet preserving all the artistry, romance and magic of the noble art of the jeweller.

ELIZABETH GAGE JEWELLERS
GOLDSMITH

Christmas opening times
Saturday December
4th, 11th & 18th
10.00am - 4.00pm

20 ALBEMARLE STREET
LONDON W1
Tel: 011 499 257

Design © Elizabeth Gage

Timeless classics
from £400-£2,000

BUECHE GIROD
DE GENEVE

For your local stockist
please phone: 071-267 5206

SHEAFFER

NEW FINISH DEBUTS IN
SHEAFFER CREST® COLLECTION
Roller Ball Launched Simultaneously

Available nationally at leading
department stores and stationers

For further information call 0442 233411

The Samsung Personal Fax
is found in all the best homes
(The Dixons, The Comet
and the Harrolds)

As the number of domestic fax machines increases one name is leading the way: Samsung. Which is hardly surprising when you consider the range of Samsung fax machines and what they have to offer. For a start they are very easy to use. And they have functions especially for home use.

What's more, all Samsung fax machines come with a Mercury access button which can help keep your phone bills low. We've also made sure they have the kind of good looks and size that will be entirely in keeping with a home environment. And the Samsung reputation for reliability is backed up by a free 12 month on-site warranty and a customer support telephone line.

As leader in personal and home faxes, Samsung are, as you'd expect, in all the leading retail houses. In addition to the famous names listed in the headline above, you'll find us in Argos, Office World, Staples, Bantels and thousands of independent Samsung dealers nationwide.

So getting a Samsung fax into your house could not be easier. If you'd like more information on Samsung Personal and Business Fax Machines clip the coupon below, or call us on 081 381-0188 or fax us on 081 381 3286.

For full details of the range of personal and business fax machines from the world's 3rd largest electronics company send the completed coupon to: Samsung Electronics (U.K.) Limited, Samsung House, 228 Hook Rise South, Surrey KT8 7LD.

Name Position
Company Nature of Business
Address
Postcode Telephone No.

SAMSUNG
ELECTRONICS

JP 11/15/93

CAPITAL SPENDING

The case for stylish travel

Paul Keers looks at luxurious accessories for gentlemen going on a journey

HERE was a time when the requirement for membership of the Traveller's Club was to have journeyed for 500 miles measured in a straight line from the club. Nowadays, most day-trippers would therefore qualify. But if we are all now gentleman travellers, few of us maintain the kind of style and luxury in which those gentlemen used to undertake their journeys. And if we are looking for the ultimate travel kit, then it has to hark back to those days of grand travel.

We have to ignore the modern middle manager's concern with the lightweight and the miniature (which inevitably become the flimsy and the meagre), and look instead for both substance and style. Remember that the Duke of Windsor went away for three months at a time, with up to 118 square leather trunks; all were numbered and inventoried, and all came, of course, from Louis Vuitton.

Vuitton has long been regarded as the premier maker; its upright steamer trunks

with handles. But more practical for any man who travels under his own steam is their lighter but still luxurious new Taiga range. In a masculine, grained, dark green leather with brass fittings. This range brings a masculinity missing from many of Vuitton's lines: it includes a shrewdly designed soft leather travel bag, called Helanga (2800), which contains a pop-out suit carrier, a laptop computer case (Oural, 2995) and a pochette for a mobile phone (Balkai, 2275). These confirm the essential principle of luxury luggage: that cases should *look* more than the items they contain.

Louis Vuitton may be the name which most evokes luxury luggage, but the particular item which recalls grand travel is not Vuitton's; it is the classic plain tan leather suitcase. Swaine Adeney Briggs (185-186 Piccadilly), still sells rigid leather suitcases, in three shades of sumptuous bridle hide. Built on a wood frame, with capped corners, and with retaining straps inside. They range from £255 to £280. Harrod's sells similar tan



New line: Dunhill Train case, £280, part of the Cambridge leather range

Kroll (£250-£1250) but the leather has a glossier finish. New money to Swaine Adeney's old.

Dunhill, another classic touring outfit, has its Cambridge range of structured leather luggage. In rich shades of racing green as well as English tan, suitcases start at £260, with an impressive trunk at £2,050. And for sheer indulgence, the luxury traveller will demand Dunhill's Cambridge train case for £960.

Along with your dedicated shirt case, you will require a special case for your ties, to keep your neckwear safely strapped and pressed. Leather tie cases are available from Swaine Adeney Briggs (£125). But the best design is that of the porta cravatte by Rodeo Star (£42, from Revelation, 170 Piccadilly) - less luxurious perhaps, but it incorporates a neat hanging device so that the creases can fall out of your ties when you arrive.

And do not forget to exhibit a British attitude towards the weather, no matter your destination, by packing the most impressive travelling umbrella of them all. The Bridge M&F umbrella (from Swaine Adeney Briggs) unscrews into three parts - handle, body and ferrule - to fit into an attaché case; unlike common travelling umbrellas it does not actually collapse, either intentionally or otherwise. With the silk cover, it is a cloud-busting £255.25; with the more plebeian nylon, £135.

Once your luggage is safely stowed, you will need something to carry around your money and tickets. The truly aristocratic use a butler; for those just a notch down the social ladder, there is the travel document wallet from Giddens (Clifford Street, W1 and Burlington Arcade), saddlers to the Queen and makers of a range of classic leather goods. This paper-backed-sized folder in bridle hide (£180) has separate divisions for air tickets, documents, foreign currency, cash and travellers cheques, and also incorporates a removable leather passport holder. Gid-

den's leather writing case, in a folding, envelope finish (£125), is also a necessity to write those letters home in style.

Perhaps the greatest luxury of travel is time; the Grand Tours of the 18th century often lasted five years. Few of us now have such time on our hands, but we can still sport time on our wrists. The most sophisticated travel wristwatch is the Jaeger-LeCoultre Geographique, a hand-assembled, mechanical wristwatch which takes its owner around the globe. At a twist of the crown, the displayed time will leap to that in any of 24 cities, representing time zones from Los Angeles through Auckland. Only a limited number of Geographiques are made each year, with prices ranging from £2,500 to £13,000.

Something similar is offered by the Ebel Voyager, which has a rotating bezel which indicates the time in major cities, but in a less sophisticated manner; prices are from a more modest £1,800.

For those who will be flying their aircraft personally, the Breitling Chronospace, along with slide rule aviation calculations, offers two time displays simultaneously, one analogue and one digital, for time home and away; prices are from £330.

All these watches are available from The Watch Gallery (Jermyn Street and Fulham Road). You will, of course, be woken by room service, so instead of the conventional folding travel alarm clock, the contemporary traveller packs the Braun world travel calculator. It combines the classic matt black Braun calculator with a world time clock and alarm; £42 from Oggetti (Fulham Road). And alongside it at the bedside, another contemporary item; the ultimate world radio, the Sony ICF-SW77 (£399), with memory for 162 frequencies, station-name tuning, a timer, and the ability with its short-wave reception to pick up the BBC World Service virtually

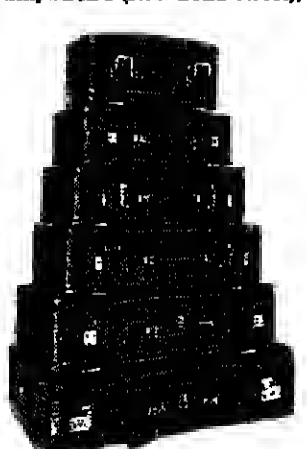
anywhere on the planet.

Once you have succeeded in travelling with style, a gentleman needs to travel in style as well. Grooming kits seem to contain devices ranging from the indispensable to the incomprehensible. At Liberty (Regent Street), there are the waxy nappa leather sars by W A Gould; a padded case containing full-size razor, collapsible toothbrush, nail clippers, mirror and comb is £34. Gould also make a traditional hair brush which contains a manicure set zipped into its body (£29.95).

At The Courant Shop (Michelin House, Fulham Road) a leather case (£74) contains a clothes brush and sewing kit along with all the grooming essentials. But perhaps the most impressive contemporary set comes from Oggetti, a nine-piece toilet set in black leather pouch, where even the razor is matt black (£113.35).

For those who insist on an electric shave, the neat little Payer battery-operated razor, designed by F A Porsche, is by far the most impressive (Harrod's, £37.80). But luxury travel is all about tradition, and that is embodied in Penhaligon's beautiful razor and shaving brush, housed in engine-turned nickel tubes (£45 each, from Harrod's and branches of Penhaligon's).

For sustenance, the traditional traveller turns, naturally, to Fortnum & Mason (Piccadilly, W1), who offer a buckled leather roll containing a pewter flask and four pewter cups (£107). His destinations are kept in his beautiful Three City address book (£17.95) from Smythson's (New Bond Street).



Tanner Kroll's expanding suitcases

cleverly divided into three separate alphabetical sections for London, New York and Tokyo (or Paris). And his money is similarly divided, held in money clips by Murray Ward in E, S and Y designs (gold on silver, £45 each) from Simpson (Piccadilly).

Surrounded by the beauty of this ultimate travel kit, a gentleman can indeed relive the days of grand travel; and perhaps he will recognise another truth in Emerson's statement - "Though we travel the world over to find the beautiful, we must carry it with us or we find it not."

Smell the tenderness, laughter, candour...

Perfumes are very big business. Lucia van der Post meets a man trying to identify the scent of money

JEAN Courtière, President Directeur-General of Parfums Givenchy S.A., is sitting at his desk in Le Valois in Paris sniffing. This one is a little... shall we say... heavy. This one, it is not *audace* enough and this one... it, perhaps, needs to be a little softer.

Three times a week, between nine and 10 o'clock in the morning, this is what he does - he sniffs, sifting the fragrances. From the essential oil houses, from the big international creators of successful smells, from smaller independent "noses" they come with their little phials which they offer for approval.

Courtière has already defined the concept, he knows the name (Insensé), he has commissioned the bottle and he is relatively sure that when he smells it he will know the fragrance that fits the bill.

It is a race with only one winner. "It is heartbreaking, but that," says Courtière, "is the name of the game - the winner takes all. We give them all the same marketing brief, the same concept and ask them to bring it to life." After 12 months there are just four *parfumeurs* left in the race. Just one of them will win the prize - the contract to supply the essential ingredients for as long as the fragrance goes on selling. For everybody else there is nothing but to hope for better luck next time.

For Parfums Givenchy there is a lot at stake. If Courtière manages to usher in a worldwide classic, the pot of gold can run to many, many millions. (Chanel No 5 and Guerlain's Shalimar, two of the all-time best-sellers, are each rumoured to have a turnover of \$50m a year). If it fails... and even the most golden of names have their disasters... then a great deal of time, money and effort will have been wasted, not to mention the loss of face.

In the US, where it is said, a perfume is launched every six days, only one out of six will still be doing business after three years. Everybody in the industry shudders at the memory of Lacroix's *C'est La Vie* which is rumoured to have lost LVHM some \$40m.

lost roughly two years to bring a fragrance to the marketplace - "if everything falls into place," says Courtière. "It begins with a concept. In the case of Insensé it was easy. We had launched *Améris* ("sunlight made woman, a hymn to *joie de vivre*") in 1991 and what we needed next was a man's fragrance to match it. "What," I asked my female colleagues, "appeals to you in a man?" "Laughter, candour, tenderness, romanticism, a bit of dash and unexpectedness," they said. So all that went into the brief.

After much adding and subtracting of elusive ingredients, the 59th version of one of the

The cost of producing an established fine fragrance



Source: Industry estimates

original recipes is deemed to be the one and Insensé ("names are difficult but this one I had had in my head for a long time") is born - "Wild and impulsive. The man who will capture the heart of *Améris*." The packaging is planned and the price fixed - though an up-market men's fragrance it cannot be too highly priced for men's fragrances are usually bought by women who, it seems, are meaner (or poorer?) and will not pay as much as men will pay for the fragrances they buy their women.

One fine day Insensé is ready to be launched. A plane-load of journalists is flown to the Dordogne in the LVHM jet. In the garden of a perfect little *maison* awash with blue and yellow flowers (the Insensé colours - no detail is too small) Insensé is born. Champagne corks pop, music plays, Hubert de Givenchy flies in, cameras click, mounds of *foie gras* are consumed.

If you ask what all this costs, you get a pretty hefty

answer. \$50m for a major US-style launch is the industry guess but Courtière says many are launched with much less. "Kenzo Parfum, for instance, is a very small company and it has done very well because it clearly relates to Kenzo's own story. Boncheron, too, is small and did not have millions to spend and yet it, too, has been a success according to the goals they set themselves. Jean-Paul Gaultier's fragrance is another great success that did not cost millions to launch - it is exceptional, so consistent with his image, so honest that it has attracted a whole new category of customers."

The good old days when Chanel could summon up her exclusive "nose", Ernest Beaux, and ask him to make something that simply smelled ravishing seem to have gone. These days it is all about lifestyles and niches and keeping up with the trends.

We have, so say the fragrance supremos, done with

Continued on Page 10



The Oural pilot case from Louis Vuitton



Truly impressive Christmas Gifts come wrapped in purple paper with green satin ribbon. New 1994 Catalogue available upon request.

Asprey
165 - 169 New Bond Street London W1
Tel 071 - 493 6767 Fax 071 - 491 0384

Thomas Pink Shirts. Luxury and Elegance. £32.50-£42.50
85 Jermyn Street and Branches. Free Gift Wrapping Service.
For Mail Order Catalogue, Please Telephone 071-498 2202

Foley & Foley
Our Shirts are made from the finest two fold cotton poplin available. Generously cut. Priced at only £36.50. Our quality shirts are made in our own world rooms. No charges for post or VAT. Send for our colour brochure today or telephone 071-498 4082 (Fax: 071-277 5563).

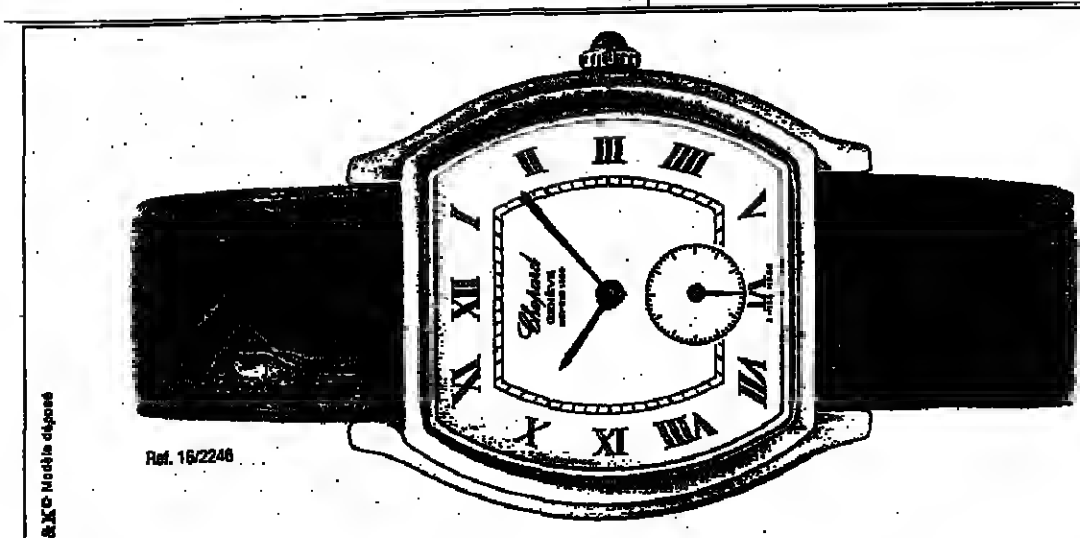
Because this Christmas the thought really counts
Wine Company

Who will you give a roll-up Panama hat for Christmas?
\$59.95

STREAMERICA

THE SPIRIT OF ADVENTURE.
Tiffany introduces Streamerica, a new collection of masculine accessories in brushed steel, inspired by the vision of America's streamline age. "Carapace" pocket knife £100. "Porthole" keyring £100.

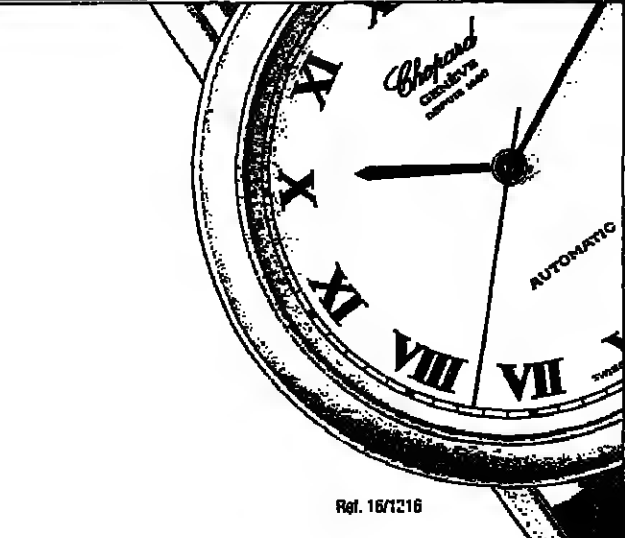
TIFFANY & CO.
24 OLD BOND STREET, LONDON W1. 071-409-7200



Ref. 16/2246

Chopard
GENÈVE
depuis 1860

THE TIMELESS LINES OF MECHANICAL PERFECTION - OUR TRADITION SINCE 1860
Style no. 16/2246 Classic 'tonneau' form watch in 18K gold, mechanical movement, automatic version style no. 16/2247. Style no. 16/1216 Automatic watch in 18K gold or in platinum style no. 16/91216. Available at leading watch-specialists throughout the United Kingdom. For information: Chopard Boutique in London, 14 New Bond Street, Tel. 071/409 3140.



Ref. 16/1216

its involving as, the most an alleged mail Mr Vik- of one of the t investment aged black- rrently stand- to have used hered by the npt to extort Kozeny.

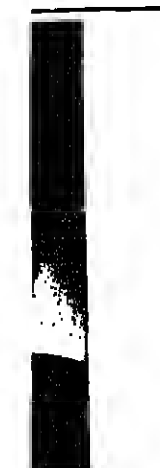
try has up an ce itainted mer rites ilum

or economic so risen excep- y, growing 75 he first nine compared with 'od in 1992, each police sta-

ties of Semtex ted to be sold rket have been h police since and several es have been

evolution, the slovakia was old's 10 largest 'apoury, rang- to small arms. its of weapons ind as Soviet w following the f the Warsaw Alliance.

Continued on Page 10



re former

ive itself in each would Our focus. lent base in

ventures will parameters. ntries, the allowing for mutual life

not after the nya, Malawi, Africa before bidder. developments opportunities

ng in South and in Old

I be rectified nce industry, create greater

involved in the need for development. last approach - backgrounds acks are now

ck market a wal?

black people 10 years. This tribution of e's incomes, he are able to. We expect rs.

Society ds 7405

CAPITAL SPENDING



Doing what they must: 'Romeins de la Dédicence', 1847, by Thomas Couture

Necessary luxuries

Puritans may try to purge useless objects – but they never succeed for long, we all need them, argues Nigel Spivey

ANY archaeologist will confirm that there is nothing unnecessary about luxury goods. Far from it. In the silent graves of innumerable past societies, the relics most eloquent about individual status and power are precisely those whose beauty has got the better of their functionality. The golden filigree fibula; the chased silver drinking cup; the outrageously plumed helmet; the inlaid horse bits, and the delicate bronzes. Accoutrements like these were never intended for hard, everyday use. They were wheeled out for ceremonies to dazzle and intimidate. They were not so much the instruments of rule as the signals of authority.

There is a timeless quality to the accumulation of luxuries which has resisted campaigns to be censorious about excess and cleave to the simple life. Anti-sumptuary strictures have never held for long. In Cromwell's time, Puritans purged luxuries as diverse as poodles, tapestries and petticoats. To the committed Puritan, there is hardly anything that cannot be deemed impure. Envy, and the sheer pleasure

of unpunished vandalism, probably account for most of those moments in history when someone briefly cajoles his fellows into making bonfires of their vanities. But the poodles and petticoats return. It is inhuman to do without them; we are lost in an unnatural limbo of egalitarianism.

The nexus of luxury and power does not, of course, release luxury from moral evaluation. Stern antique Romans regarded luxury and avarice as twins; and sometimes they went further in their disapproval by pairing luxury with insanity. Nero's wife, who had her favourite horse shod with golden shoes, was thereby as mad as Nero himself. The love of luxury was traced to a contempt for nature; not, I think, a necessary connection, although it is certainly true that the collectors of ivory knick-knacks do not care whether the elephant population declines or dies. The truth is that each individual will regard some luxury or other as offensive. In my case, it is personalised car number plates; in my father's, a bottle of champagne. But this does not mean that we want to legislate against those who cherish

these things. So long as we are left with our own indulgences (Egyptian cotton sheets; a little cigar at Christmas), we will tolerate the foolishness of others. There is, however, a terrible irony about the consumption of luxuries in the late twentieth century. By definition a luxurious lifestyle ought to be easy and hedonistic. Yet the reality is that modern luxury goods are aimed at those who lead anything but a relaxed and otiose life. So many of the luxuries themselves are concerned with strict timekeeping and frenetic travel. No wonder that the best place to survey the exposure of luxury goods is an international airport (at Heathrow par excellence).

Partly the airport luxuries are designed to glamorise what is essentially a tedious and still unenvying form of transport. The departures lounge is a sort of prison for the condemned, but it does not seem that way if there is a bar dispensing oysters and caviar. Partly the airport luxuries are pandering to Oriental gift cultures, in which a bottle of brandy costing £500 duty free can be billed as a bargain. But primarily the cocoon of luxuries protects the social status of the travellers.

Picture the businessman dispatched abroad. What the trip really entails is a flog across continents to a lonely room in an anonymous hotel for a series of stuffy encounters with alien people. But no captain of industry can admit to that. So you see him in the airport shopping malls, both determined and obliged not to return home empty-handed. He glances at his Rolex Oyster, finds he has time to buy his wife a bottle of Chanel, signs for it with his Mont Blanc pen, and slots it into his Bond Street hand baggage. The names of the goods manage to be both discreet and significant – and they are what counts, for they say that the business trip was not hellish at all, but what everyone else would love to be doing. Hence that curious new phrase, *essential luxuries*. It ought to be a paradox, if luxuries are understood to be such items as are desirable but not indispensable. But it is more than the remorseless logic of conspicuous consumption. It is precisely what our Bronze Age ancestors understood. Luxuries massage our egos and buttress our place in the world. We could hardly do without them.

Scent of money

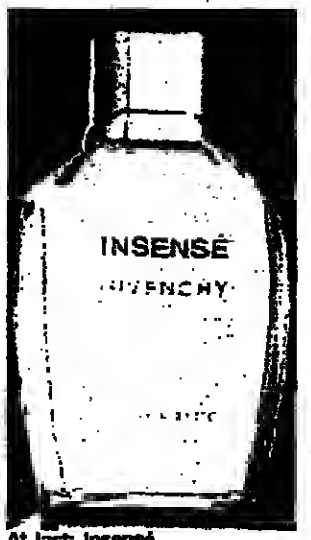
Continued from page 9

power and aggression – on with assertive scents such as Giorgio Armani's Poison. Sweet, sensitive 1990s woman (have you met her yet?) first had a little run with floral essences and softer smells such as Calvin Klein's Eternity, Ralph Lauren's Safari and Cassini.

She has now gone "green" as well as a bit fey. She likes a bit of counter-culture (Jean-Paul Gaultier with his funky woman-shaped bottle) and a breath of Eastern mysticism (L'Élan d'Issey). She also, it seems, is not at all averse to smelling of melon (Dior's Dune) and water melon (New West For Her), of ginger (Jean-Paul Gaultier), of lychee and nectarine (Yves St Laurent's Champagne) and of Orange Blossom mixed with Vanilla (Van Cleef). These New Age perfumes depend upon something called *Ozonic*. If that conjures up images of ocean and fresh air, then you are on the right track. Fresh, natural, that is what the latest perfumes are all about.

Then we come to the matter of price. There are those who seek to prevent the customer paying over the odds for ingredients that add up to a fraction of the retail price. But today's customer is not fooled. She knows she is paying for image and packaging, for launches and concepts but she knows, too, that perfume was never about logic. Who wants a wonderful smell out of a utilitarian bottle sold in a warehouse? (What happened when Marcel Bich tried to sell a lovely smell in a plain glass phial for £1.25 a time? Nothing happened. Nobody bought it.)

When a customer complained to Christian Dior about the exorbitant price of a hat given the cost of the materials, he dismantled it, gave her the wisp of tulle and the rose saying, "the materials, Madame, are free." It is the invisible, the magic that most of us are happy to pay for.



At last: Insense

Forget the peeled prawns, you want macaroni cheese

Luxury does not lie in brand names, nor in goods that used to be scarce. It is a much more subtle commodity, writes Peter York

DONES Mrs Thing really look the business in her mid-tone, full length ranch mink, thrown over an appliqued cashmere twin-set, setting off in her walnut-lined Daimler to eat prawn cocktail in pink sauce at the Tudor Grange restaurant in Somerby-on-Thames. The poor old biddy, they will say, has clearly lost the plot.

Luxury is re-defined in every decade. A raft of traditional luxuries – mink, cashmere, "trad" British "quality" cars and prawns – have been reclassified by fashion, political correctness and increased availability. Mink has suffered all three. Supermarkets sell peeled prawns by the bucketload.

The old imagery of luxury was based on the notion of the cornucopia – a hectic abundance of whatever is in short supply. The cornucopia pours forth out-of-season fruit. Luxury was easily defined when the shopping list was short (no Apple Macintosh, no liposuction) when there was consensus about what was best and when most of the world lived at subsistence level.

But postwar technology and marketing have upset the traditional Vedic notions of conspicuous consumption – wot-ototot – by providing an abundance of former rarities (farmed salmon and venison for everyone), and by providing an extraordinary flow of novelties to subvert the traditional status of luxuries (mobile telephones, dental bonding).

Even Paul Johnson, the distinguished columnist, noted on turning 65 last week the extraordinary range of former luxuries that had become commonplace over his lifetime. He saw the development as one of the compensations for bad manners, worse thinking and social disintegration.

J K Galbraith pointed out as early as 1968 in *The Affluent Society* that "no useful distinction can be made between lux-

uries and necessities" (but he was talking about America's Golden Age).

Meanwhile marketing has imposed a new definition of luxury – a curious, 1980s notion of luxury as symbolism and reference rather than reality – the world of "added-value", today's version of "de-luxe". Recognised luxury now comes primarily in the marketer's cottage, the "luxury brand". A luxury brand is one believed to confer magic status on its owners. Luxury brands, whatever their origins, are vigorously promoted names in the marketplace now. Their values are totemic ones; the name is everything.

In the 1990s wonderful new money and new aspirations emerged in new places. The flaunt-it imperative stretched from Essex to Seoul via Dallas and Tokyo.

This coincided with changes in the ownership and control of the majority of specialist luxury manufacturers and design houses in Europe. From the late 1970s on practically every leading couture house and accessory maker was acquired and run by a marketer who treated the company as a

"brand management" business, owners of a set of rights which could be licensed, franchised and generally deployed to add value. They talked about "the equity in the brand" – they usually outsourced the product.

The new owners did everything in the marketers' hand-book they looked for diversification opportunities (new products to sell under the old valuable name); they looked for new markets, opening the Seoul shop in 1988, just after Atlanta, and, above all, they looked for new kinds of people to "extend the franchise".

These new people were, typically, aspirants, socially mobile Wannabes who had significant disposable income rather than serious money but wanted to relate to the Great World they saw in the raft of "style" and social magazines that publish-

ing groups produced throughout the decade.

These strategies worked well until at least 1989. The accounts of the big luxury brand-owners show super-normal profits through the late 1980s, a quite embarrassing share of which derived from the Far East. It worked because the approach recognised the identities the new people wanted to assume, often "traditional" European ones. And it worked because it was not that hard – the new money seemed to mop up anything it was sent – every office girl in Tokyo with money to burn seemed to have something from Louis Vuitton.

At fever pitch, in the late 1980s, it was truly surreal to see the imagery of the 19th century Faubourg St Honoré

Luxury was easily defined when the shopping list was short: no Apple Mac, no liposuction

and St James's replicated in theme park concessions round the world. And of course it was complete alphabet soup with letters everywhere – double Gs for Gucci, the Chanel-C, YSL – metallic initials twinkling from all over the New People.

Real businesses at scale were built on the luxury branding device – LVMH, the pre-eminent luxury house, is big on the Paris bourse. Factories were filled with tiny religious offerings stamped with the magic symbols. But the scale of the enterprise depended to a great degree on an 1980s cast of mind, an "everything possible" view, and at what the Japanese call the "bubble economy".

It is gone somehow, that sublime belief in the magic power of brands; not just because of recession but because each generation learns through the

great educator, shopping. Shopping familiarises people with the mechanics of luxury brands, makes them cynical about the promotional devices, the atmospheric outlets, the inventive packaging. They feel eventually they have been there, done that. In the 1990s the learning process was accelerated as more and more brands entered the market.

Shopping eventually teaches aspirants that people like themselves buy these brands. The brands' status moves rapidly, from desirable to acceptable to unsurprising. New money constantly looks for new ways to express itself.

Real luxury continues to move more quietly on different rubber wheels. Real luxury, for seriously rich people, means having your own way. It means servants – whatever you call them – and it means things hand-built for you. In the houses of the seriously rich, often very short on the style the magazines show, there is always something that has absorbed a great deal of money and craftsman's time, contrived to do exactly what its owner wants.

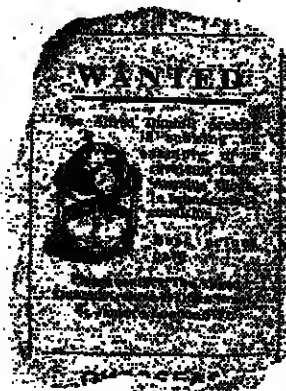
The Queen's life illustrates this principle vividly. In a plain bathroom wholly unlike any high concept room-set the bath is run by helping hands. In the royal clothes, dowdy to the critics, everything has been elaborately thought through to meet HM's distinct personal requirements. Macaroni cheese and eggs on toast will be available on a 1950s Formica tray exactly when and how she wants them.

The "thrifty" repair and restoration of a host of shabby loved Royal objects will have cost more skilled man and woman hours than a raft of Taiwan-made luxury accessories. The luxury brand names with royal warrants will still do the real discreet hand-made specials for her, their loss leaders. But they will almost certainly have to leave the initials off.

ALFRED DUNHILL



Photograph shows renowned traveller's Dunhill 'Barnaby' watch with fixed case, mechanical movement and sapphire glass, part of a collection inspired by original 1930s Dunhill designs. All this well-prepared gentleman needs now is a world in his hand.



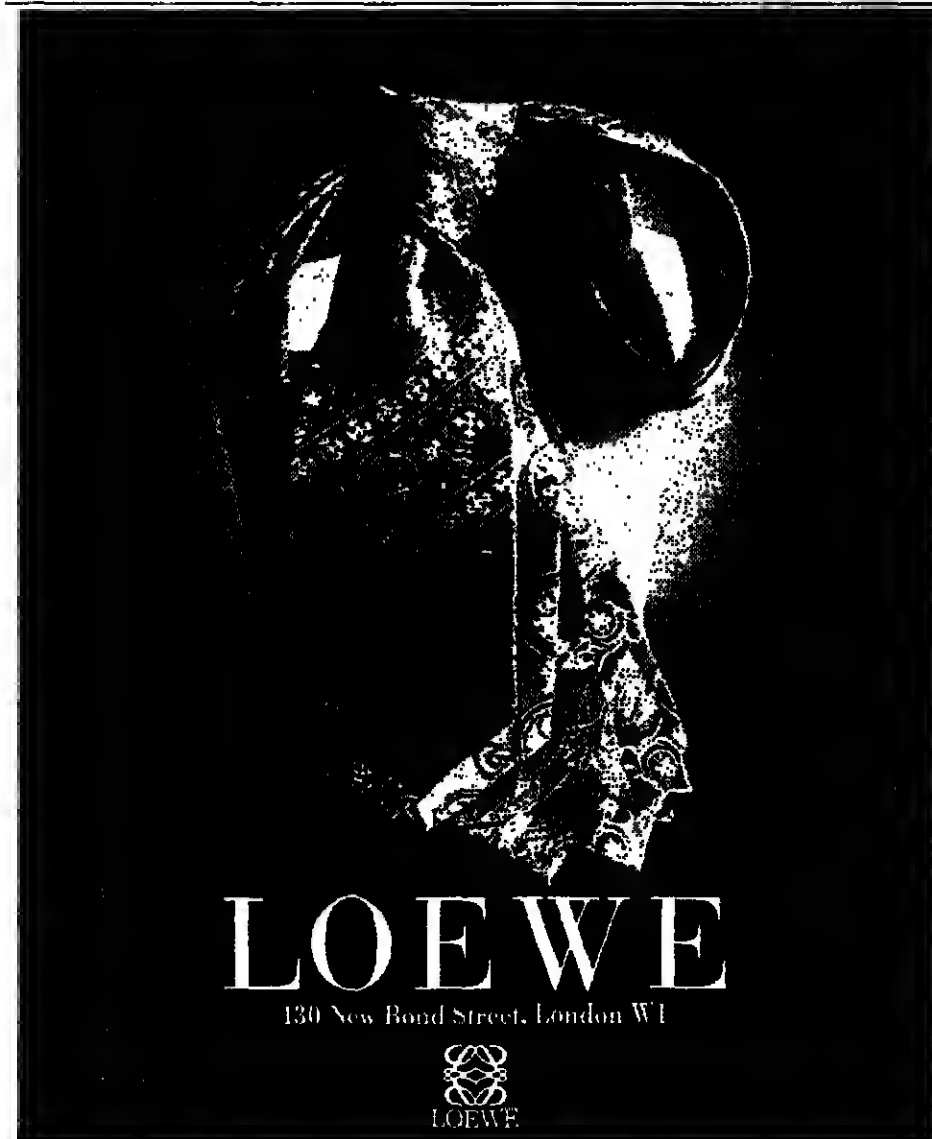
The Times, London, 11 September 1993.

Available at: Alfred Dunhill stores, Harrods, Selfridges, Watches of Switzerland Ltd, The Goldsmiths Group and leading jewellers.

Sought after since 1893.



The Paris shop of Guerlain, maker of Shalimar, one of the classic scents



130 New Bond Street, London W1Y 9EA. Tel: 011-193 3914.

6 Royal Exchange, Canary Wharf, London E21 3LL. Tel: 011-283 7636.

The Loewe Shop, Room of Luxury, Harrods, Knightsbridge, London SW1X 7NL. Tel: 011-730 1231, ext. 2464.

The Loewe Shop, Mitsukoshi, 11-20 Lower Regent Street, London SW1Y 4PH. Tel: 011-839 6714, ext. 257.

JP 11/15/93